Date: 16th July, 2021

BY E-FILING

The Manager
Department of Corporate Services
BSE Limited
1st Floor, New Trading Wing,
P.J Towers, Dalal Street Fort
MUMBAI-400 001
Scrip Code: 506618
Tel No.: 022-22728073

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East)
MUMBAI-400 051
Scrip Symbol: PUNJABCHEM
Tel No.: 022-26598235/26598458

Sub: Notice of 45th Annual General Meeting and Annual Report for the FY2020-2021

Dear Sir/Madam,

This is in furtherance to our letter dated 27th May, 2021 intimating about the 45th Annual General Meeting ("AGM") of the Company scheduled to be held on Thursday, the 12th August, 2021 at Derabassi.

It may please be noted that the said 45th Annual General Meeting ("AGM") of the Company shall be held on Thursday, the 12th August, 2021 at 10.30 a.m. (IST) through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) in compliance with the applicable provisions of the Ministry of Corporate Affairs and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with various Circulars issued from time to time.

Pursuant to Regulation 34(1) of the SEBI Listing Regulations, please find enclosed the **Annual Report of the Company along with the Notice of the AGM and other Statutory Reports for the Financial Year 2020-21**. The same is also being sent through electronic mode to all those Members whose e-mail addresses are registered with the Company / Depository Participants / Registrar and Transfer Agent. The same is also available on the website of the Company at www.punjabchemicals.com.

PUNJAB CHEMICALS AND CROP PROTECTION LTD.

Pursuant to Regulation 42 of the SEBI Listing Regulations, the Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, the 5th August, 2021 to Thursday, the 12th August, 2021 (both days inclusive) for taking record of the Members of the Company for the purpose of the 45th Annual General Meeting ('AGM') and payment of dividend subject to tax deducted at source, if declared by the Members of the Company at the AGM to be held on Thursday, August 12, 2021.

The Company has fixed Thursday, the 5th August, 2021 as the "Cut-off Date" for the purpose of determining the members eligible e-voting on the resolutions set out in the Notice of the AGM or to attend the AGM.

PUNJAB CHEMICALS
AND CROP PROTECTION LTD.
CIN NO. L24231PB1975PLC047063
Regd. Office & Works
Milestone-18, Ambala-Kalka Road, Village & P.O. Bhankharpur, Derabassi, Distt SAS Nagar, Mohali (Punjab)-140201, INDIA
Tele: 01762-280086, 522250, Fax: 01762-280070, E-mail: info@punjabchemicals.com, Website: www.punjabchemicals.com

Pursuant to Regulation 44 of the SEBI Listing Regulations the remote e-voting facility will commence on Saturday, the 7th August, 2021 from 9.00 a.m. (IST) and ends on Wednesday, the 11th August, 2021 at 5.00 p.m. (IST). Those shareholders, who will be present in the AGM through the VC facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

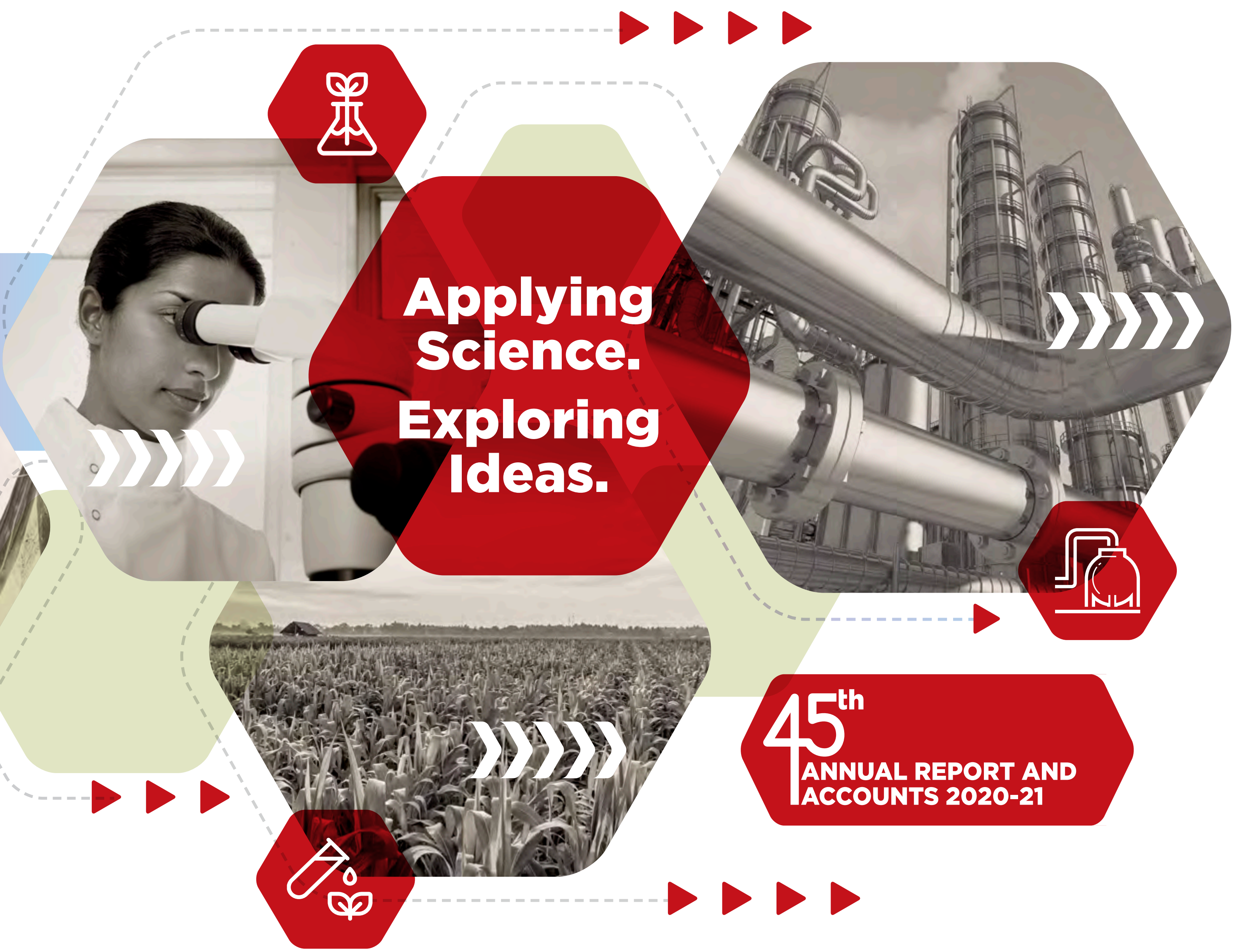
Kindly take the information on record and inform all your constituents accordingly.

Thanking you,
Yours faithfully
For **PUNJAB CHEMICALS AND CROP PROTECTION LIMITED**

(CS PUNIT K ABROL)
SR. V.P. (FINANCE) & SECRETARY

PUNJAB CHEMICALS AND CROP PROTECTION LTD.

PUNJAB CHEMICALS AND CROP PROTECTION LTD.



Applying Science. Exploring Ideas.

45th ANNUAL REPORT AND ACCOUNTS 2020-21

उद्यमेन हि सिध्यन्ति
कार्याणि न मनोरथैः

20.07.1932 - 18.12.1997

S D SHROFF

(Known to all as 'Sasubhai')

He dared.
He cared.
He shared.

His vision to grow the company remains .....

What's in this report

Corporate Information

Ghattu Ramanna Narayan
Chairman Emeritus

Mukesh Dahyabhai Patel
Chairman

Board of Directors:

Shalil Shashikumar Shroff
Managing Director,

Capt. Surjit Singh Chopra (Retd.)

Vijay Dilbagh Rai

Sheo Prasad Singh

Aruna Rajendra Bhinge

Shivshankar Shripal Tiwari

Avtar Singh
Director (Operations & Business Development)

Key Managerial Personnel:

Vinod Kumar Gupta
Chief Executive Officer

Punit Kumar Abrol
Sr. V.P. (Finance) & Company Secretary

Dr (HC) Sriram Swaminathan
Chief Financial Officer

Bankers

SVC Cooperative Bank Limited

RBL Bank Limited

Bank of Baroda

Auditors

BSR & CO. LLP
Chartered Accountants

Registered Office

Milestone 18, Ambala Kalka Road, Village & P.O.: Bhankharpur, Derabassi, Distt. S.A.S. Nagar (Mohali), Punjab-140201.

Tel: 01762-280086/280094

Fax: 01762-280070

Email: info@punjabchemicals.com

Corporate Office

Plot No. 645-646, 5th Floor, Oberoi Chambers II, New Link Road, Andheri (West), Mumbai - 400 0 53

Tel: 022-26747900

Fax: 022-26736193

Email: enquiry@punjabchemicals.com

Manufacturing Units

Derabassi and Lalru (Punjab)
Pune (Maharashtra)

Registrar & Share Transfer Agent

Alankit Assignments Ltd., RTA Division, Alankit Heights 4E/2, Jhandewalan Extension, New Delhi-110055

Tel: 011-42541234/23541234,

Fax: 011-41543474

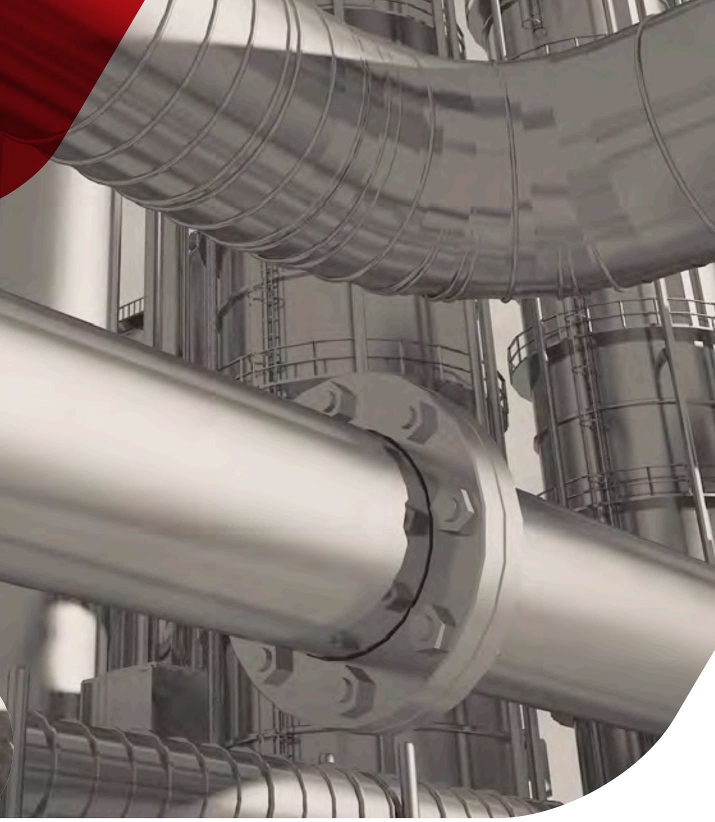
Email: rta@alankit.com

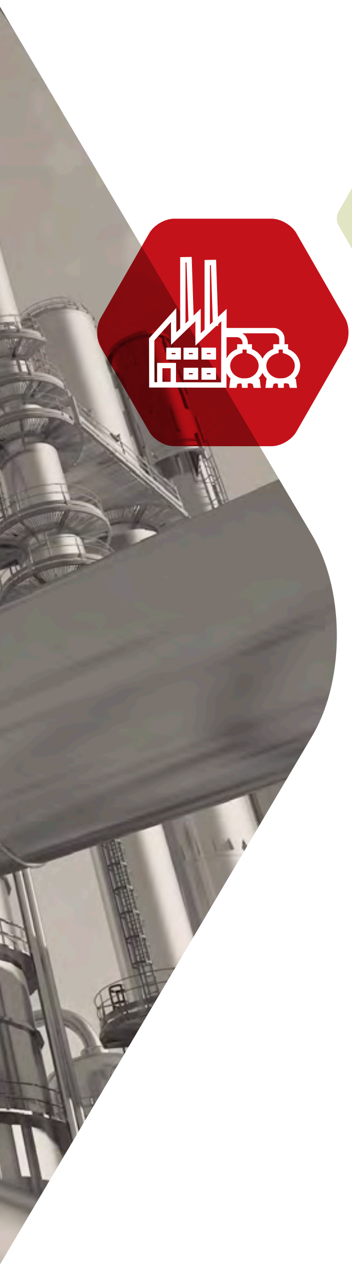
Website: www.alankit.com

http://www.punjabchemicals.com

APPLYING SCIENCE. EXPLORING IDEAS.

WE ARE A DIFFERENTIATED CRAMS PLAYER WITH A SYNERGISTIC PORTFOLIO OF SPECIALTY CHEMICALS. WITH STRONG CHEMISTRY SKILLS, COST EFFICIENT AND FLEXIBLE MANUFACTURING PROCESSES, WE ARE WELL POSITIONED TO ENHANCE OUR PRODUCT PORTFOLIO AND DELIVER RAPID GROWTH.





We have continuously invested in world-class facilities and advanced infrastructure, which unceasingly provides us with an exceptional analytical support for research, development, and commercial production of agrochemicals. Powered by our prowess in research and manufacturing processes, we have established strong customer relationships, while scaling up our CRAMS business over the last few years. With a sound foundation beneath our feet, we are directing our energies towards high-growth opportunities with a focus on segments with better margins.

Our purpose is to deliver superior products by having the right people, with expertise and knowledge, in place. As we move ahead, we are looking towards higher value opportunities in CRAMS and optimising our product line in the marketable molecules business. Our expanded capacities and technical know-how strongly place us to benefit from the strong growth in the global CRAMS industry.

Going forward, we aim to deepen our existing relationships while developing a diverse customer base and generate enhanced and predictable revenues. Our key objective is to help our customers develop new products; efficiently service the needs of growing the agrochemicals industry, and chart sustainable growth strategies.

TODAY, WE SERVE AN ARRAY OF CUSTOMERS IN KEY ADVANCED MARKETS IN THE GLOBAL CRAMS SPACE, WITH -STRONG LEGACY OF DELIVERING EXCELLENCE.

Strategic Reports
Notice
Statutory Reports
MD&A
Financial Statements

AT A GLANCE

Established in 1975, Punjab Chemicals and Crop Protection Limited (PCCPL) is now a fast-growing listed agrochemicals company, with a synergistic portfolio of Specialty Chemicals.

Our Evolution

1975	1983	1995	2003
Our founding year	We diversified into Specialty Chemicals	We further diversified into Agrochemicals	We engaged in an M&A with Alpha Drug Pharma

Today, Punjab Chemicals has strong R&D capabilities and a comprehensive product portfolio that enjoy a high level of trust from our institutional customers. - All products are manufactured employing International Standards for safety, quality and timely delivery.

The plants of the Company are located at Derabassi, Lalru and Pune. All three plant are ISO 9001:2015 certified, whereas Derabassi and Lalru plant are ISO 14001:2015 certified and Pune plant is FSSI certified.

2006	2016	2016	2021
Integrated into one company: Punjab Chemicals	Modified business model to include Contact Manufacturing	Enhanced our capacity to manufacture Agrochemicals	Achieved highest EBITDA in 10 years - Rs. 973 million

At a glance

Our Vision is...

to become a major Indian player in the fast-growing CRAMs segment and a preferred partner for manufacturing high-tech performance chemicals.

Our Mission

- is to increase income and achieve profitability in a sustained manner
- is to meet the customer expectations with products of the right quality and quantity in the required time
- is to focus on the products and companies that enable increasing added value
- is to renew our relationships with Indian Formulators and build a stronger base in the Indian market

Our Strategic Initiatives

- Since 2016, our CRAMS business has grown manifold,
- We have multiple lucrative long-term contracts signed with international players.
- We have new product launches and registrations in the pipeline, and are targeting annual sales of Rs. 1,500 crore in the next 3 years.
- We were able to reduce our debt by Rs. 13.1 crore in FY2021.

Rs. 678.2 crore
Revenue FY2021

23% YoY

14.31%
EBITDA Margin

Rs. 97.3 crore
EBITDA FY2021

75% YoY

7.22%
PAT Margin

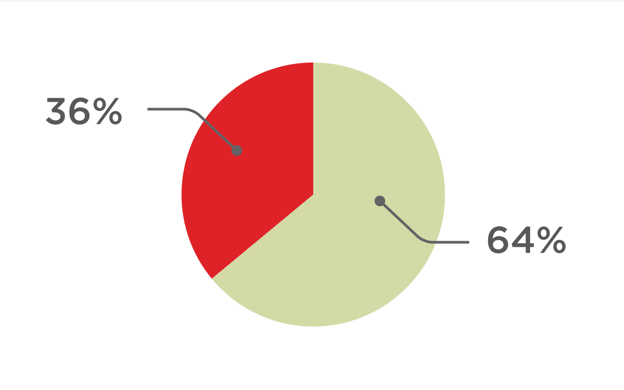
Rs. 49.1 crore
PAT FY2021

356% YoY

32%
ROCE

Rs. 74.9 crore
Net Debt down by Rs. 13.1 crore since FY 2020

Geographic Split of Revenue



INTERNATIONAL REVENUE
DOMESTIC REVENUE

Rs. 63.9 crore
Generated Cash Profit

20%
Proposed Cash Dividend

34%
ROE

The above figures are from Consolidated Financial Statements

CHAIRMAN'S MESSAGE

"Today, I am pleased to inform you that your company is one of the fast-growing agrochemicals company, with the vision of becoming a major Indian player in the CRAMs segment and be a preferred partner for manufacturing high-tech performance chemicals."

Dear Shareholders,

The world during FY 2021 was anything but normal. It was firmly in the grip of the coronavirus pandemic, which placed great demand on everyone. People across the world suffered unprecedented miseries, lives were lost. The economy and stock markets slumped, livelihoods were destroyed.

For Punjab Chemicals, too, it was a challenging year. Yet we came through the pandemic in good shape and laid strong foundation for future growth. The Management and employees worked hard to handle the adverse conditions and also at the same time ensured to bring new products to market for our customers. We are aggressively moving forward on transformation journey and are committed to take the company to next level. Today, we stand as a fully integrated CRAMS player with strong capabilities across the value chain. We provide end-to-end high-value CRAMS offerings right from process research and development and commercial manufacturing. We are proud to have become the preferred outsourcing partner across several continents, and to service a diverse customer base from all the key advanced markets including US, Europe and Asia.

Looking back, past year has much we can be proud of. We managed to keep the company running successfully despite this major crisis, and continued to be a vital and performing supply chain source to our partner clients around the world. We kept our people at the core of our strategy and succeeded in protecting our workforce and minimizing the number of COVID-19 infections in the company.

Financial Performance

Your company has managed to deliver stellar performance in current financial year 2020-2021. I've been very impressed by the commitment shown by our employees in making all this possible. And I would like to sincerely thank them for hard work and dedication on your behalf. I am happy and proud to share that we achieved the operational targets for FY2021 – proving once again how robust our businesses are. I am delighted to inform you that despite COVID -19's disruptions your Company exhibited financial performance with the consolidated growth of 23% Year-on-Year (YoY) to INR 6,782 million in the current financial year. EBIDTA also soared by 75% at INR 973 million during the year. PAT for the year was INR 491 million. Your Company continues to deliver a strong return ratio, with Return on Equity of 34% and Return on Capital Employed of 32% in the current financial year. The Board of Directors have recommended the dividend of 20% (2.00 per equity share) for the financial year 2020-2021.

Operational Highlights

Despite adverse global economic environment, Agrochemicals sector continued to show robust demand and provided opportunity for further growth. Our strategic initiatives and successful strides in the CRAMS space positioned us to exploit the opportunity. During the year, we generated significant new businesses from clients in Asia Pacific and European regions. We are now proud partner with most of large companies in this sector and continue to generate fresh business interest. We are confident of expanding these partnerships exponentially in coming years.

Newly rebuilt plant at Derabassi became fully operational during the year. We also saw fresh investment in new products and all projects are progressing well. This enabled the Company to take on larger orders from both existing and new clients. For the financial year 2020-2021, the capacity utilisation at our Derabassi, Lalru and Pune plants was 80%, 73% and more than 95% respectively.

Emerging more resilient from the crisis

Our strategy of entering into long term contracts and focus on product development along with R & D is enduring. We continually transform our business and embrace change to create more value for our clients with incredibly talented people and we are on much stronger footing now than we entered fiscal 2021. Today, more than ever, we are blessed with a strong product portfolio; and global market reach; ongoing investments in new products and capacities backed by a prudent capital allocation; a robust balance sheet with very low leveraged debt-equity.

Throughout our history, the people of Punjab Chemicals have embraced change. Today is no different. I want to thank all our people for their incredible dedication, perseverance and commitment both in fiscal 2021 and as we face our new reality. I also want to thank all our shareholders for their continued trust and support. I see, PCCPL, today at threshold to unleash new growth trajectory and we are committed to ensure that this growth momentum is sustained.

Enlivening Science for Agrochemicals

Food security will continue to be key global focus for growing population across the world. This fact also provides us another form of resilience from being part of the evergreen agriculture industry, which must play the lead role in increasing the world's food production by around 70% to support the population by 2050. Agrochemicals will continue to have increased importance and new products and solutions are essential for future growth. In our growth journey, we will continue to strive to transform agriculture through essential products and technologies that play a vital role in enabling the food chain to feed the world safely. The company will focus on building strong R & D capabilities, strengthen process further for safe, reliable and efficient operations, make your company as employer of choice by providing learning and growth environment to people and transparent dealing with our customers.

Closing remarks

In difficult times like these, it's more essential than ever before that society looks forward and addresses future issues. And that's what we're doing at Punjab Chemicals. We're working on innovative products for agriculture that help to ensure an adequate food supply for the growing world population without placing excessive demands on the planet and its ecosystems. As we move along FY 2022, there are strong expectations of recovery in the Indian and global economies. I am thankful to our customers and our shareholders for their continued support and confidence in our journey towards becoming one of the most trusted specialty chemicals and partner of choice CRAMS company out of India. On behalf of the board, I would like to thank you for all your unwavering support, trust and perennial belief in our capabilities and competencies.

With best wishes,

Mukesh D Patel
Chairman

FOUNDATIONS FOR QUALITY GROWTH

CRAMS – OUR NEXT VALUE DRIVER

Strongly positioned to gain in the global CRAMS industry.

AS MOST TRUSTED PARTNER FOR OUR CLIENTS, CRAMS BUSINESS CONTINUES TO BUILD STRENGTH AND SCALE. WE OFFER SERVICES ACROSS THE CRAMS VALUE CHAIN – FROM PROCESS RESEARCH AND DEVELOPMENT TO LATE-STAGE COMMERCIAL MANUFACTURING. THROUGH OUR CRAMS BUSINESS, WE ARE AN INTEGRAL LINK IN CROP SCIENCE INNOVATIONS AND TAKE PART IN THE DEVELOPMENT AND OPTIMISATION OF PROCESSES FOR NOVEL MOLECULES.

40%

YoY Growth In CRAMS Business (FY2021)

Going ahead, our key aim is to utilise all our assets to our customers' best advantage. We will continue to use our fundamental strengths through continued innovation and excellence in both development and commercialisation. We are looking towards generating high-value profitability on the back of opportunities in CRAMS and optimising our portfolio in specialty chemicals. We are also focusing on delivering quality products; on-boarding the right talent into our teams; and working – synergistically with our customers. We are making new strides with fresh set of products every year and plan to accelerate growth over next few years. During the year, we generated significant new businesses from clients in Asia Pacific and European regions. We are proud to be part of value change of all major innovators in the Agrochemicals space and this proposition is poised to leapfrog for exponential growth.

With global manufacturers looking for alternate sourcing locations, the shift in global supply chain arrangements open vast opportunities for companies like Punjab Chemicals. For FY2021, the CRAMS business grew by about 40% compared to the previous fiscal year, contributing more than 64% to our total revenues. Going forward, we have a formidable pipeline with 3 new molecules approved during the year under review, while 3 more projects are close to approaching commercialisation in the second part of FY 2022.

We are confident that our crams business will continue to act as the key revenue growth driver for Punjab Chemicals in the times ahead. With capacity and economies of scale built to suit each project, we are strongly positioned to benefit from a renaissance in the global crams industry.

FOUNDATIONS FOR QUALITY GROWTH

BUILDING STABLE VOLUMES & SUPERIOR MARGINS

Strongly positioned from an enhanced product mix.

WE PLACE GREAT IMPORTANCE ON HAVING A STRONG ORDER BOOK WITH HIGH-VALUE REVENUES, AND ON HAVING A DEEP-ROOTED PRODUCT MIX OF NICHE AND COMPLEX PRODUCTS. OUR AIM IS TO CONSOLIDATE OUR CAPABILITIES AND OPTIMALLY UTILISE OUR EXISTING FACILITIES TO KEEP ENHANCING OUR MARGINS. WHEN NEW CAPACITIES NEED TO BE ESTABLISHED FROM UPCOMING MANDATES, WE AIM TO DERISK OUR RETURNS ON OUR CAPEX BY INVITING OUR INNOVATORS TO ALSO INVEST WITH US.

75%

Growth in EBITDA In FY2021

Quality and safety has been at the forefront of our growth and this has been a key building block for our growing partnership with global players. We take pride in having established strong quality system and a safety system, which is set in a continuous improvement cycle. This focus will get more thrust in the coming years and is becoming a non-negotiable value for us.

We have also made good inroads into complex product segment, which bodes well for our CRAMS business and results in profitability enhancement. We have placed greater attention to more niche molecules, where our profitability is perceptibly better as compared to other molecules. For FY2021, our EBITDA stood at Rs. 97 crore, which grew by 75% compared to the previous fiscal year. An emphasis on high-value orders, improved capacity utilisation and segments with higher contribution also helps us utilise our existing facilities more efficiently and optimally.

Being selective about our clients and the molecules will bolster the operating profit margin and will create a sustainable business model for our company.

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CIN: L24231PB1975PLC047063
Registered Office: Milestone 18, Ambala Kalka Road, Village & P.O Bhankharpur, Derabassi,
Dist. SAS Nagar, Mohali (Punjab)- 140201,
Telephone Nos.: 01762- 280086, 280094 Fax Nos.: 01762-280070
E-mail:info@punjabchemicals.com;
website: www.punjabchemicals.com

NOTICE

NOTICE is hereby given that the 45th (Forty Fifth) Annual General Meeting ("AGM") of the members of Punjab Chemicals and Crop Protection Limited will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility on Thursday, the 12th August, 2021 at 10.30 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company (Standalone and Consolidated) for the financial year ended on March 31, 2021 and the Reports of the Board of Directors and Auditors thereon.

   "RESOLVED THAT the Audited Financial Statements (Standalone and Consolidated) of the Company, Report of the Board of Directors and the Auditors' thereon for the financial year ended on March 31, 2021 alongwith Annexures as laid before this Annual General Meeting be and are hereby received, considered, approved and adopted."

2. To declare a dividend on Equity Shares of the Company for the financial year ended March 31, 2021.

   "RESOLVED THAT the Dividend at the rate of Rs. 2.00/- per share on 1,22,62,185 Equity Shares of Rs. 10/- each aggregating to Rs. 2,45,24,370/- as recommended by the Board of Directors be and is hereby approved."

3. To appoint a Director in place of **Shri Shivshankar Shripal Tiwari (DIN 00019058),** who retires by rotation and being eligible, offers himself for re-appointment.

   "RESOLVED THAT Shri Shivshankar Shripal Tiwari (DIN 00019058), a Director of the Company who retires by rotation at this Meeting, being eligible for re-appointment as Director of the Company be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Director by rotation."

Special Business:

4. **Payment of commission to Non-Executive Directors including Independent Directors of the Company.**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded to the payment of commission to the Non-Executive including Independent Directors of the Company for each financial year over a period of five (5) financial years with effect from the financial year 2020-2021 to financial year 2024-2025 and distributed among such Directors in such a manner as determined and decided by the Chairman of the Company and approval by the Board of Directors within the overall maximum limit of 1% (one percent) of the net profits of the Company to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, or within such statutory limit as may be prescribed under the Companies Act, 2013 from time to time.

   RESOLVED FURTHER THAT the commission to the Non Executive Directors provided in the accounts of the Financial year 2020-2021 due to sufficient profit be and is hereby ratified and be paid after the approval of the accounts.

   RESOLVED FURTHER THAT the above remuneration shall be in addition to the fees payable to these Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.

   RESOLVED FURTHER THAT the Board of Directors or any other officer authorised by the Board be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

5. **To ratify the remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2022.**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and upon

NOTICE

recommendation of the Audit Committee and as proposed by the Board of Directors, consent of the Company be and is hereby accorded for the payment of remuneration of Rs. 1,68,000 /- (Rupees One lakh Sixty Eight Thousand only) plus GST thereon and reimbursement of out of pocket expenses at actuals to be paid to M/s Khushwinder Kumar & Co., Cost Accountant, Jalandhar, (Firm Registration No.100123) who has been appointed by the Board as the Cost Auditors of the Company for the financial year 2021-2022.

RESOLVED FURTHER THAT approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the business under Item No. 4 & 5 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is also annexed.

2. In view of the global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" read with General Circular No. 14/ 2020 dated April 8, 2020, the General Circular No. 17/ 2020 dated April 13, 2020, No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19" and General Circular No.02/2021 dated January 13, 2021 (collectively referred to as "MCA Circulars") and SEBI vide its circular dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular dated January 15, 2021 ("SEBI Circulars") have permitted the holding of the General Meetings through VC / OAVM, without the physical presence of the Members at a common venue.

   In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and above referred MCA Circulars, the AGM of the Company is being held through VC / OAVM on Thursday, 12th August, 2021 at 10.30 a.m. (IST). The deemed venue for the meeting shall be registered office of the Company at Milestone 18, Ambala Kalka Road Bhankharpur, Derabassi Dist. S.A.S. Nagar, Mohali-140201.

3. As this AGM is being held through VC / OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice. The Route Map is also not required to be annexed to the Notice.

4. The facility for joining AGM through VC/OVAM will be available for up to 1,000 Members who may join on first come first serve basis. However, the above restriction shall not be applicable to the members holding more than 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel(s), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc. Members can login and join 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.

5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. Institutional Investors / Corporate Shareholders (i.e. other than Individual / HUF / NRI etc) can appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC / OAVM or to vote through remote e-Voting. They are requested to send a certified copy of the Board Resolution of authorisation to the Scrutiniser by e-mail at cspsdua@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.

7. In case of Joint Holders attending the AGM, only such Joint Holder whose name appear first in the order of names will be entitled to vote.

NOTICE

8. Only bona fide members of the Company whose name appear first on the Register of Members, will be permitted to attend the meeting through VC/ OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.

9. The Register of Directors and Key Managerial Personnels and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act will be available for inspection by the Members in electronic mode during the AGM. Members who wish to seek inspect, may send their request through an email at investorhelp@punjabchemicals.com up to the date of AGM.

10. M/s. B S R & Co. LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company at the 41st Annual General Meeting held on September 14, 2017 for a period of 5 years. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending Section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.

11. Shri Vijay Dilbagh Rai (DIN:00075837), Independent Director of the Company will attain the age of 75 years on October 13, 2021. The Special Resolution pursuant to Regulation 17 (1A) of the SEBI Listing Regulations, 2015 has already been passed in the Annual General Meeting held on 13th August, 2019, when the approval of the members was taken for his reappointment as Independent Director for the second term and continuation of Directorship on attainment of age of 75 years, for the current tenure.

12. In line with the MCA Circulars dated May 5, 2020 and January 13, 2021 and SEBI Circulars dated May 12, 2020 and January 15, 2021, the Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. The Notice convening the 45th AGM has been uploaded on the website of the Company at www.punjabchemicals.com and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of CDSL at www.evotingindia.com.

13. **Book Closure and Dividend:**

    i) The Register of Members and the Share Transfer Books of the Company will be closed from Thursday, 5th August, 2021 to Thursday, 12th August, 2021 (both days inclusive). The dividend of Rs. 2.00 per equity share of Rs.10 each (i.e. 20%), if declared by the Members at the AGM, will be paid subject to deduction of income-tax at source ('TDS'), wherever applicable, on or after Tuesday, 17th August, 2021 as under:

       a. To all the Beneficial Owners as on 5th August, 2021 as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

       b. To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company/Registrar and Share Transfer Agent as on 5th August, 2021.

    ii) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. 1st April 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending documents through e-mail by Monday, 26th July, 2021.

    iii) Further, in order to receive the dividend in a timely manner, Members holding shares in physical form and not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to mail the following documents to Company's Registrars and Transfer Agents, Alankit Assignments Limited, so that it reaches to them latest by Monday, 26th July, 2021:

       a. signed request letter mentioning their name, folio number, complete address and following details relating to bank account in which the dividend is to be received:

NOTICE

- Name and Branch of Bank and Bank Account type;
- Bank Account Number & Type allotted by the Bank after implementation of Core Banking Solutions;
- 11 digit IFSC Code.

b. self-attested copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;

c. self-attested copy of the PAN Card; and

d. self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/ addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective Depository Participants (DPs).

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

iv) Dividend warrants / demand drafts will be despatched to the registered address of the Members who have not updated their bank account details.

v) 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). 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. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. For details of unclaimed dividend and for shares transferred to IEPF, please refer to Company's website viz. www.punjabchemicals.com. The Company has transferred 1,09,179 Ordinary Shares of the face value of Rs. 10 per share to the demat account of the IEPF Authority during the financial year 2017-18. The details of such shares transferred to IEPF has been uploaded on the website of the Company at www.punjabchemicals.com. No claim shall lie against the Company in respect of the dividend/shares so transferred. During the financial year 2020-2021, no equity shares or dividend amount was required to be transferred to IEPF.

Members who have not yet encashed their dividend warrant(s) for the financial year 2018-19 & 2019-20, are requested to make their claims to the Company accordingly, without any delay.

14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrars and Transfer Agents, M/s Alankit Assignments Ltd for assistance in this regard.

15. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to M/s Alankit Assignments Ltd in case the shares are held in physical form, quoting their folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.

16. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by

NOTICE

submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14. The said forms can be downloaded from the Company's website at www.punjabchemicals.com. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA at rta@alankit.com in case the shares are held in physical form, quoting the folio no.

17. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or M/s Alankit Assignments Ltd, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

18. (i) Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to investorhelp@punjabchemicals.com by mentioning their DP ID & Client ID/ Physical Folio Number.

    (ii) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 2nd August, 2021 through email on investorhelp@punjabchemicals.com. The same will be replied by the Company suitably.

19. To support the 'Green Initiative', the Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with M/s Alankit Assignments Ltd in case the shares are held by them in physical form.

    Process for those Members whose email Ids are not registered:

    a) **For Members holding Shares in the physical form -** Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card by email to the Company: investorhelp@punjabchemicals.com or rta@alankit.com.

    b) **For Members holding Shares in Demat form -** Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + Client ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to the Company: investorhelp@punjabchemicals.com or rta@alankit.com on or before 5.00 p.m. (IST) on Monday, 26th July, 2021.

    c) In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

20. **Remote e-Voting before/during the AGM:**

    I. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by CDSL.

    II. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Thursday, 5th August, 2021 may cast their vote by remote e-Voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date i.e. Thursday, 5th August, 2021, may obtain the User ID and Password by sending a request at helpdesk.evoting@cdslindia.com.

    III. The remote e-Voting period commences on **Saturday, 7th August, 2021 at 9.00 a.m. (IST) and ends on Wednesday, 11th August, 2021 at 5.00 p.m. (IST).** The remote e-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to

NOTICE

change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, 5th August, 2021.

IV. Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who could not cast their vote by remote e-Voting. They will be eligible to exercise their right to vote at the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairman. Members could have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again. **The remote e-Voting module on the day of the AGM shall be disabled by CDSL for voting 15 minutes after the conclusion of the Meeting.**

V. Pursuant to SEBI Circular No. SEBI/HO/FD/CMD/CIR/P/2020/242 dated December 9, 2020, under regulation 44 of the Listing Regulations, listed companies 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 members / retail members is at a negligible level.

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

VI. In view of the aforesaid SEBI Circular dated December 9, 2020, individual members holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Pursuant to the aforesaid SEBI Circular dated December 9, 2020, login method for e-voting and joining virtual meetings for individual members holding shares in demat mode is given below:

Type of members	Login methods
Individual member holding shares in demat mode with CDSL	1) Users who have opted for CDSL's 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 URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & 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. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Easi Registration.

NOTICE

Type of members	Login methods
	4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a link on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email ID as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-voting is in progress during or before the AGM.
Individual member holding shares in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be 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. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held 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 or joining virtual meeting & voting during the meeting.
Individual member (holding shares in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at abovementioned websites.

NOTICE

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

Login type	Helpdesk details
Individual members 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 022-23058542-43.
Individual members 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.

Login method for e-voting and joining virtual meeting for members other than individual members and physical members is as under:

1. The members should log on to the remote 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. Members holding shares in Physical Form should enter Folio Number registered with the Company

       Or

       Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from login myeasi using your login credentials. Once you successfully login to CDSL's EASI/EASIEST e-services, click on e-voting option and proceed directly to cast your vote electronically.
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 members holding shares in both demat and physical form other than individual members
PAN	Enter your 10 digit alpha–numeric PAN issued by Income Tax Department (applicable for both, members holding shares in demat mode and members holding shares in physical mode).
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank details or Date of Birth (DOB) (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • 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 5.

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Members holding shares in physical form will then directly reach the Company selection screen. However, members 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 also to be used by the demat holders for voting on resolutions of any other Company in 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.
9. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for PUNJAB CHEMICALS AND CROP PROTECTION LIMITED on which you choose to vote.
11. 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.

NOTICE

12. Click on the "RESOLUTION FILE LINK" if you wish to view the Resolution details.
13. 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.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the vote cast by clicking on "Click here to print" option on the voting page.
16. If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
17. Members can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while remote e-voting on your mobile.
18. **Note for Non-Individual members and Custodians – Remote e-voting:**
    - Non-Individual members (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 Users 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 members are required to send the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorised signatories who are authorised to vote, to the scrutinizer and to the Company, email address, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-voting from the e-voting system, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, CDSL, 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.

Instructions for members attending the AGM through VC / OAVM and e-voting during AGM are as under:

I. The procedure for attending the AGM and e-voting on the day of AGM is same as the instructions mentioned above for remote e-voting.

II. The link for VC / OAVM to attend AGM will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.

III. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

IV. Members are encouraged to join the AGM through Laptops / IPads for better experience.

V. Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.

VI. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.

VII. Members who would like to express their views/ ask questions during the AGM may register themselves as a speaker by sending their request in advance at least 7 days prior to the AGM

NOTICE

mentioning their name, demat account number / folio number, email id, mobile number at the Company's email ID. The members who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to the AGM mentioning their name, demat account number / folio number, email id, mobile number at the Company's email ID. These queries will be replied to by the Company suitably by email.

VIII. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

IX. Only those members, who are present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

X. If any votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the AGM through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the AGM is available only to the members attending the AGM.

21. **Other instructions:**

(i) Mr. P.S. Dua, Practicing Company Secretary, (Membership No. 4552, COP No. 3934), have been appointed as the Scrutinizer by the Board to scrutinize remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.

(ii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/ OAVM but have not cast their votes by availing the remote e-Voting facility.

(iii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who will acknowledge the receipt of the same and declare the result of the voting forthwith.

(iv) The results will be declared within 48 hours of conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.punjabchemicals.com and on the website of CDSL: www.evotingindia.com immediately after the results are declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and The National Stock Exchange of India Limited ("NSE").

(v) Subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. Thursday, 12th August 2021.

By order of the Board of Directors

Punit K Abrol
Sr. V.P. (Finance) & Secretary

Date: May 27, 2021

Registered Office:

Milestone 18, Ambala Kalka Road,
Village & P.O Bhankharpur,
Derabassi, Dist. SAS Nagar,
Mohali (Punjab) - 140201
CIN: L24231PB1975PLC047063

NOTICE

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)

The following statement sets out all material facts relating to the businesses mentioned in the accompanying Notice:

ITEM NO. 4:

The members of the Company by way of Postal Ballot dated 30th March, 2016 had approved payment of commission not exceeding, in aggregate, one percent per annum of the Company's net profits calculated in accordance with the provisions of the Companies Act, 2013, to the Non-Executive Directors of the Company, for a period of five years commencing from Financial year 2015-16.

In terms of the provisions of section 197 and Schedule V of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members is required for payment of remuneration to Non-Executive Directors of the Company, from the financial year 2020-2021 till the financial year 2024-2025.

The Board of Directors in their meeting held on May 27, 2021 while evaluating the increased role and responsibilities of Non-Executive Directors has decided to take the approval of the Members pursuant to Section 197 of the Companies Act, 2013, for payment of commission not exceeding 1 % of the net profits of the Company calculated in accordance with provisions of the Act, for a period of five years commencing from the financial year 2020-2021 till the financial year 2024-2025 as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company. The commission shall be distributed in such manner as determined and decided by the Chairman of the Company and approved by the Board of Directors of the Company.

The Board recommends the Ordinary Resolution set forth in Item No. 4 of the Notice for the approval of the Members.

All non-executive Directors may be regarded as concerned or interested in the resolution to the extent of the commission they may receive.

Save and except the above, none of the other Executive Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

ITEM NO. 5:

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s Khushwinder Kumar & Co., Cost Accountant, Jalandhar (Firm Registration No. 100123) as the Cost Auditor of the Company to conduct audit of the cost records of all the Divisions of the Company for the financial year 2021-2022 on a remuneration of Rs. 1,68,000 /- (Rupees One lakh Sixty Eight Thousand only) plus GST thereon and reimbursement of out of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for approval / ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the members.

By order of the Board of Directors

Punit K Abrol
Date: May 27, 2021 **Sr. V.P. (Finance) & Secretary**

Registered Office:

Milestone 18, Ambala Kalka Road,
Village & P.O Bhankharpur,
Derabassi, Dist. SAS Nagar,
Mohali (Punjab) - 140201
CIN: L24231PB1975PLC047063

NOTICE

ADDITIONAL INFORMATION ON DIRECTORS BEING RE-APPOINTED AS REQUIRED UNDER REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, MENTIONED IN THE NOTICE:

Name of the Director	**Shri Shivshankar Shripal Tiwari**
DIN	00019058
Date of Birth	August 30, 1953
Age	68 Years
Date of first appointment	May 28, 2015
Qualifications	M.Sc., Post Graduate Diploma-Business Management
Expertise in specific functional areas	He is experienced in managing the chemical plants, production, manpower management and domestic commercial market of chemicals.
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	Not Applicable
Membership of Committees/ Chairmanship in other Public Limited Companies	Not Applicable
No. of Board Meeting attended during the year 2020-2021	9
No. of shares held	11,589
Relationships between Directors inter-se	No
Terms and conditions of appointment or re-appointment Non-Executive Non-Independent	Non Executive Non Independent Director liable to retire by rotation
Remuneration last drawn (including Sitting fees, if any)	The Sitting fee and commission, if any, is disclosed in the report on Corporate Governance forming part of the Annual Report of the financial year 2020-2021.

DIRECTORS REPORT

TO THE MEMBERS,

1. Your Directors have pleasure in presenting the 45th Annual Report of the business and operations of the Company along with the Audited Standalone and Consolidated Financial Statements for the financial year ended on March 31, 2021.

2. FINANCIAL RESULTS:

The financial performance of the Company for the year ended March 31, 2021 is summarised below:

(Rs. In lakh)

Particulars	Consolidated*		Standalone	
	2020-2021	**2019-2020**	**2020-2021**	**2019-2020**
Revenue from Operations and Other Income	68001	56269	67736	56674
Earnings before Interest, Depreciation & Tax & Exceptional item (EBIDTA)	**9733**	**5557**	**9529**	**6040**
Depreciation/Amortisation	1486	1535	1486	1535
Finance Cost	1346	1814	1232	1794
Profit / (Loss) before Tax & Exceptional item	**6901**	**2208**	**6811**	**2711**
Exceptional (Expenses) / Income	**-**	**-**	**-**	**-**
Profit / (Loss) before Tax (PBT)	**6901**	**2208**	**6811**	**2711**
Income Tax Expenses:				
Current Tax	1551	1113	1315	1113
Adjustment of tax pertaining to earlier periods	-	125	-	125
Deferred Tax	442	(105)	442	(105)
Total Income Tax Expenses	**1993**	**1133**	**1757**	**1133**
Profit / (Loss) after Tax (PAT)	**4908**	**1075**	**5054**	**1578**
Other Comprehensive income / (expense) for the year (net of tax)	(46)	(164)	57	(26)
Total comprehensive income for the year	**4862**	**911**	**5111**	**1552**
Earnings per share (EPS) Basic and diluted (in Rs.)	40.03	8.77	41.22	12.87
Reserves (excluding Revaluation reserve)	13227	8549	15151	10224

Notes:

a) *Consolidated accounts consist of standalone accounts of the Company and of a wholly owned overseas subsidiary Company namely SD AgChem (Europe) NV, Belgium.

3. IND-AS:

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2021 has been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under Section 133 of Companies Act, 2013 and other relevant provisions of the Act.

The estimates and judgements relating to the Financial Statements are made on a prudent basis, to reflect in a true and fair manner, including profits and cash flows for the year ended March 31, 2021. The Notes to the Financial Statements adequately explain the standalone and consolidated Audited Statements and form an integral part of this Report.

4. STANDALONE RESULTS:

Your Directors are pleased to state that the year under review ended with the total income of the

DIRECTORS REPORT

Company on standalone basis at Rs. 677 crore with a highest ever Profit before Tax (PBT) of Rs. 68.11 crore against the income of Rs. 567 crore and Profit before Tax of Rs. 27.11 crore in the previous year.

Your Company is continuously putting efforts to increase margins by increasing sales on high margin products and product mix optimisation. This has resulted in increase of PBT by 151%. As in the past, the maximum sales was from Agro Chemicals Division, Derabassi with net revenue of Rs. 513 crore against Rs. 391 crore of previous year which is 76% of the total revenue. The revenue of Specialty and Other Chemicals Division, Lalru was at Rs. 111 crore against Rs. 127 crore of previous year. Industrial Chemical Division Pune recorded a revenue of Rs. 52 crore against Rs. 37 crore of previous year. The Company is planning to increase market share in Agrochemicals and also plans to manufacture Agrochemicals at the Lalru unit. Process of approval for bifurcating the site to accommodate agrochemicals has been initiated. This will make full use of the available infrastructure there.

The revenue generated includes Job work income of both Derabassi and Lalru divisions of Rs 46 crore against Rs. 29 crore and represent with 7% of the total revenue as compared to 5.30% in the previous year.

The Export of the Company was Rs. 421 crore against Rs. 341 crore of the last year, which is up by 23%. It is a matter of satisfaction that the Company continues to meet the requirement of all the customers as per their satisfaction.

5. SUBSIDIARY COMPANY

As on 31st March, 2021, the Company has only one wholly owned overseas subsidiary namely SD AgChem (Europe) NV, Belgium. The total income of SD Agchem (Europe) NV was Rs. 11.36 crore with profit before tax of Rs. 0.81 crore as compared to the Income of Rs. 9.14 crore with net profit of Rs. 0.89 crore in the previous year. However, after adjustment of tax of earlier period, there was loss of Rs 1.55 crore.

In compliance with Section 129 of the Act, a statement containing requisite details including financial highlights of the operation of the subsidiary in Form AOC-1 is annexed to the report as **Annexure 1.**

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements for the year ended 31st March, 2021 include the consolidated financial statements and related information of the Company. The audited statement of accounts of the subsidiary Company alongwith above information are available on the website of the Company i.e. www.punjabchemicals.com.

These documents will also be available for inspection during business hours at the Registered Office of the Company.

The Policy for determining material subsidiaries, adopted by the Board of Directors, pursuant to Regulation 16 of the SEBI (LODR) Regulations, 2015 (hereinafter called as "Listing Regulations") can be accessed on the Company's website at http://www.punjabchemicals.com/wp-content/uploads/2018/07/Policy-for-determining-Material-Subsidiary.pdf.

6. CONSOLIDATED RESULTS:

The consolidated financial statements of the Company for the year ended on March 31, 2021 comprises the standalone financial statements of Company and its subsidiary (together referred to as "the Group").

The consolidated revenue of the Company during the year under review was Rs. 680 crore with a profit before tax of Rs. 69 crore against Rs. 563 crore and profit before tax of Rs. 22 crore in the previous year.

7. FIRE CLAIM

It was informed in the last report that the fire broke out in one section of Agro Chemicals Division, Derabassi on 10th July, 2019 and damaged the plant, equipment, capital work-in-progress and inventory. As the plant was fully insured under IAR Policy and Loss of Profit, the Company lodged the claim with the insurance Company for recovery of the losses suffered. The Company has received the major part of the claim against the loss of property. The final claim has been filed with the Insurance Company. The working for claim under LOP has been shared with Insurance Surveyor and is under process. There are no disputes made by the insurance Company against the claim. The Company has recognised, the insurance claim receivables to the extent of aforesaid losses. The plant damaged in the fire has been rebuilt at a different location with improved safety and protection and has been put in operation.

8. COVID-19:

In December, 2019, the COVID-19 pandemic created a world crisis. To control the impact of the pandemic the Government of India declared a nationwide lock-down w.e.f. 24th March, 2020, of all economic activities. This impacted the Economy adversely and the same was evident in the first

DIRECTORS REPORT

quarter results. Your Company's - operations are under exempted category being the manufacturer of Agrochemicals and pharma intermediates, so we were allowed to operate. However there was less manpower availability and receipt of raw material was impacted by transport problems, resulting in loss of production. The situation improved after a short time and full operation of all the plants resumed within a month. Your Company's management and employees worked very hard to minimise the impact and ensured that Company's plants were operated safely and requirements of the customers were met. This extraordinary effort minimised the impact on Company's performance. The loss of contribution and margins during that period were mitigated by taking various measures to control the costs and reducing operating and fixed expenses.

The Company has been organising Vaccination camps to provide free doses of vaccine to the employees.

The Company continues to monitor the situation of COVID -19 at all locations and operating in line with the guidelines / instructions issued by the Central / State Government from time to time for health and safety of the employees.

9. RESERVES:

The Board of Directors has decided to retain the entire amount of profits in the profit and loss account and not to transfer any amount to the general reserve.

10. DIVIDEND:

The Board of Directors are pleased to recommend a dividend of Rs. 2.00 per equity share (20%) for the financial year under review against a dividend of Rs. 1.50 (15%) in the previous year.

The total dividend amount to be paid for the financial year 2020-2021 shall be Rs. 245.24 Lakh.

The dividend on equity shares is subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company. The dividend once approved by the Shareholders will be payable to those members whose name appear in the Register of members as on the record date.

The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 5th August, 2021 to Thursday, the 12th August, 2021 (both days inclusive) and the record date will be Thursday, the 5th August, 2021 for the purpose of payment of dividend for the financial year 2020-2021.

DIVIDEND DISTRIBUTION POLICY:

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Board has formulated and adopted the Dividend Distribution Policy on May 27, 2021. The Policy is available on the website of the Company at https://www.punjabchemicals.com/wp-content/uploads/2021/05/Dividend-Distribution-Policy.pdf.

11. SHARE CAPITAL:

The paid up Equity Share Capital as at March 31, 2021 stood at Rs. 12.26 crore consisting of 1,22,62,185 equity shares of Rs. 10 each. During the year under review, the Company did not issue any type of shares or convertible securities or shares with differential voting rights. The Company also did not allot /grant any stock options or sweat equity or warrants to the employees. As on March 31, 2021, none of the Directors of the Company was holding any instrument convertible into Equity Shares of the Company.

12. SHOW CAUSE NOTICE FROM SEBI AND SETTLEMENT WITH SEBI:

During the year, the Company has received a Show Cause Notice (SCN) from the Adjudicating Officer of the Securities and Exchange Board of India for alleged non-disclosure of certain information to the Stock Exchanges under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The information pertains to certain alleged liabilities that have/may have devolved on the Company's subsidiaries/erstwhile subsidiaries in relation to certain transactions undertaken in Argentina. Further, the SCN further alleges that the Company and the Whole Time Directors, while determining whether such alleged devolution of debt was material information or not, had not applied the provision of Regulation 30 (4) (i) of the LODR Regulations.

The Company and both the working Directors had settled the matter with SEBI after paying settlement amount. SEBI has accordingly passed settlement orders settling all the charges.

13. REPORTING OF FRAUDS:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

DIRECTORS REPORT

14. STATE OF AFFAIRS OF THE COMPANY:

The State of Affairs of the Company is presented as part of the Management Discussion and Analysis Report in a separate section forming part of this Report, as required under the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

15. OUTLOOK:

The business of Performance Chemicals, which include Agro Chemicals, Specialty Chemicals and other chemicals has promising future due to growing demand, introduction of new products and rebalancing of global supply chain. Several global MNCs are looking for reliable partners in India and other South Asian Countries to develop new products and to secure availability. The government of India is encouraging the Industry to partner with these MNCs for industrial development.

As your Company has a long and proven history for manufacturing and exporting various agro and speciality chemicals, - it stands the chance to increase the volume and add new products either under CRAM or for outright sale.

We have started discussions with several companies to increase business in exports and domestic markets. The Company has proven track record and has long experience and relations with many Indian and other MNCs and is working to strengthen this relationship with new products and increased business.

Barring unforeseen circumstances the management has a positive outlook and is confident of growth with wide range of products and new manufacturing techniques.

16. FINANCE:

As stated in the last Annual Report, the Company has availed a working capital facility of Rs. 20 crore and a term loan of Rs. 15 crore for a period of 3 years from RBL bank Limited.

During the year under review a Term Loan (under Asset Finance) of Rs. 50 crore was also availed from SVC Cooperative Bank Limited in the month of January, 2021 for the operations and to meet the additional business needs.

Your Company has received a rating upgrade from CARE Rating Ltd. And it has assigned rating to the bank facilities from RBL Bank Ltd. and SVC Cooperative Bank Limited at CARE BBB (Triple B; Outlook : Stable) from CARE BBB - (Triple B minus; Outlook : Stable) in the last year.

The Company has repaid the Inter Corporate Loan of Rs. 52 crore in the financial year 2020-2021 as per the cash flow availability The Company has also repaid some high cost debts and trying to keep finance cost low. In this endeavour, the Company has availed Bills discounting facilities from few Multinational banks and by taking advance from customers.

17. PUBLIC DEPOSITS:

The Company does not have any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

18. INSURANCE:

Your Company has taken adequate comprehensive insurance policy for its assets against foreseeable perils like fire, flood, public liability, marine, among others.

The Company has also taken Directors and Officers Liability insurance policy.

19. LISTING WITH STOCK EXCHANGES:

The Company's shares continue to be listed at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Annual Listing fee for the fiscal year 2020-2021 has been paid to these Exchanges.

20. REGISTRAR AND SHARE TRANSFER AGENT:

M/s Alankit Assignments Ltd., Alankit Heights, 4E/2, Jhandewalan Extension, New Delhi - 110055 are the Registrar and Share Transfer Agent of the Company for the Physical as well as Demat shares. The members are requested to contact the Registrar directly for any of their requirements.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Independent Directors:

As on 31st March, 2021, the Company has four Independent Directors on its Board, including a Woman Independent Director. Shri Mukesh Dahyabhai Patel (DIN:00009605), Shri Vijay Dilbagh Rai (DIN:00075837), Shri Sheo Prasad Singh (DIN:06493455) and Smt. Aruna Rajendra Bhinge (DIN:07474950), Independent Directors have given the required undertaking for meeting the criteria of independence as laid down in Section 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR). They have also given declaration for compliance with the Code for Independent Directors prescribed in Schedule IV to the Act.

DIRECTORS REPORT

It may be noted that Shri Vijay Dilbagh Rai (DIN:00075837) will attain the age of 75 years on October 13, 2021. Therefore, Pursuant to Regulation 17 (1A) of the SEBI (LODR) Regulations, 2015 as amended passing of a special resolution is required for continuance of his directorship on the Board of the Company. Therefore, the Company while taking the approval of the Members of his reappointment as Independent Director for the second term, in the Annual General Meeting held on 13th August, 2019 has also taken their approval for the continuation of his Directorship on the Board of the Company as a Non-Executive Independent Director even on attainment of age of 75 years, for the current tenure.

b) Retirement by Rotation:

In terms of Section 152 of the Companies Act, 2013 and the provisions of the Articles of Association of the Company, Shri Shivshankar Shripal Tiwari (DIN No. 00019058), Director retires by rotation at the forthcoming Annual General Meeting. He being eligible, has offered himself for reappointment. The Board has recommended his reappointment as a Director, liable to retire by rotation.

c) Whole Time Directors:

Re-appointment of Managing Director and Whole Time Director:

The shareholders of the Company, on December 28, 2020 by means of special resolution passed through Postal Ballot, have given their approval for:

1. Re-appointment of Shri Avtar Singh (DIN: 00063569) as the Whole Time Director of the Company for a period of three (3) years from 14.11.2020 to 13.11.2023 on the terms and conditions including remuneration for the mentioned period.
2. Re-appointment of Shri Shalil Shashikumar Shroff (DIN: 00015621) as the Managing Director of the Company for a period of three (3) years from 15.01.2021 to 14.01.2024 on the terms and conditions including remuneration for the mentioned period.

The remuneration to both the Whole Time Directors has been paid in accordance with the provisions of the Companies Act, 2013.

d) Relationship / Transaction with Company:

The Board has also recommended the payment of commission to all the Non Executive Directors subject to the approval of the members. The resolution for the said approval as required under the Companies Act, 2013 has been proposed in the ensuing Annual General Meeting.

The Directors of the Company had no pecuniary relationship or transactions with the Company except as mentioned in Note no. 44 of the Standalone and Consolidated Financial Statements.

Details and brief resume of the Director seeking reappointment/appointment required by prevailing regulations and rules are furnished in the Notice convening the Annual General Meeting forming part of the Annual Report.

Other details of all the Directors have been given in the Corporate Governance Report attached to this Report.

e) Number of meetings of the Board of Directors

The Board meetings are planned normally in advance in consultation with the Directors. During the Financial Year 2020-2021, the Board met 9 times within the prescribed intervening time gap as provided in the Companies Act, 2013. The details of the Board meetings are given in the Corporate Governance Report that forms part of this Annual Report.

f) Board Evaluation:

In line with the provisions of the Companies Act, 2013 and SEBI Guidance Note on Board evaluation issued on January 5, 2017 read with relevant provisions of the SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of the Directors individually, of the Chairman and of the Board as a whole. The performance of the Directors was evaluated through a separate meeting of the Independent Directors. The Board evaluated the effectiveness of its functioning, that of the Committees and of individual Directors, after taking feedback from the Directors and committee members.

The performance of the Independent Directors was evaluated by the entire Board except the person who is being evaluated, in their meeting held on May 27, 2021.

DIRECTORS REPORT

A separate meeting of Independent Directors was held on March 24, 2021, to review the performance of Non-Independent Directors', performance of the Board and Committee as a whole and performance of the Chairman of the Company, taking into account the views of Executive Directors and the Non-Executive Directors.

g) Details of Familiarisation Programme:

The details of the programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model and related matters are posted on the website of the Company at https://www.punjabchemicals.com/wp-content/uploads/2021/04/Familiarization-Programme-2021.pdf.

h) Committees of the Board:

Pursuant to the requirements under the Companies Act and the Listing Regulations, the Board has constituted the following committees:

a. Audit Committee

b. Stakeholders Relationship Committee

c. Nomination & Remuneration Committee

d. Corporate Social Responsibility (CSR) Committee

e. Risk Assessment Committee

The details of the Committees viz. Composition number of meetings held and attendance of the Committee Members in the meetings are given in the Corporate Governance Report forming part of this Annual Report.

Key Managerial Personnel ('KMP')

During the year, Shri Vinod Kumar Gupta has been appointed as the CEO of the Company. His brief profile is given in the Corporate Governance Report. The Board of Directors have nominated him as the KMP of the Company also.

Pursuant to the provisions of Section 2(51) and Section 203 of the Companies Act, the Company has the following KMPs :

- Shri Shalil Shashikumar Shroff, Managing Director
- Shri Avtar Singh, Director (Operations & Business Development)
- Shri Vinod Kumar Gupta, Chief Executive Officer (w.e.f. February 8, 2021)
- Dr (HC) Sriram Swaminathan, Chief Financial Officer
- Shri Punit K Abrol, Sr. V.P. (Finance) & Company Secretary
- Shri Jain Parkash, Sr. V.P. (Works)

22. ENVIRONMENT / POLLUTION CONTROL, HEALTH AND SAFETY:

A clean environment and safe operations has always been top priority of the management. Safety of all employees, compliances of environmental regulations and preservation of natural resources are regularly monitored.

The effluent and emissions from the plants are regularly monitored and treated. The Company has an approved Effluent Treatment Plant with incinerator to treat the waste materials in Derabassi and Lalru units. In addition to this, for the solid waste, the Company has tied up with Common Effluent Treatment Plants set up in the nearby area of the manufacturing sites. Derabassi and Lalru units of the Company have been declared as Zero Liquid Discharge (ZLD) facilities.

23. WELFARE ACTIVITIES AND CORPORATE SOCIAL RESPONSIBILITY:

i) Welfare Activities:

The Company through SDS Memorial Trust has taken up various social works for the betterment of the society.

The Company continues to organise a 'Blood Donation Camp' in the memory of Late Shri S.D. Shroff on 18th December every year. 107 employees donated blood this year.

ii) Corporate Social Responsibility:

Company's Corporate Social Responsibility (CSR) Policy has been posted on the website at http://www.punjabchemicals.com/wp-content/uploads/2019/04/CSR-Policy.pdf in compliance with the disclosure about CSR Policy Rules, 2014.

During the year under review, the Company was required to spend Rs. 45 lakh on CSR activities. The Company has spent Rs. 49.90 lakh which includes Rs. 3.60 lakh which remained unspent in the financial year 2019-2020. The amounts have been spent on upgradation of infrastructure of schools and on public utilities.

The detailed report as per Section 135 of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014 has been attached as **Annexure 2**.

DIRECTORS REPORT

For other details regarding the CSR Committee, please refer to Corporate Governance Report, which forms part of this Report.

24. RESEARCH & DEVELOPMENT AND QUALITY CONTROL:

The activities of R&D consists of improvement in the processes of existing products, decrease of effluent load and to develop new products and by-products.

The Quality Control is the strength of the Company. All raw materials and finished products and material at various stages of processing pass through stringent quality checks for ensuring quality and product meeting stringent specifications.

25. MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE REPORT:

(i) MANAGEMENT DISCUSSION AND ANALYSIS:

In terms of Regulation 34 (2) (e) of the Listing Regulations, 2015 read with other applicable provisions, the detailed review of the operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis Report which forms part of this Annual Report and is incorporated herein by reference and forms an integral part of this report.

(ii) CORPORATE GOVERNANCE REPORT:

The Company has complied with the Corporate Governance Code as stipulated under the Listing Regulations. The Report on Corporate Governance in accordance with Rules 34(3) read with para C of Schedule V of SEBI (LODR) Regulations, 2015 forms integral part of this Report.

The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance is attached to the Report on Corporate Governance.

26. BUSINESS RESPONSIBILITY REPORT:

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Business Responsibility Report" (BRR) forms part of the Annual Report as **Annexure 3.**

27. EXTRACT OF THE ANNUAL RETURN:

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the Annual Return for FY 2020-21 is uploaded on the website of the Company and the same is available at https://www.punjabchemicals.com/wp-content/uploads/2021/07/Annual-Return-2020-2021-1.pdf

28. AUDITORS' REPORTS:

a. Statutory Auditor Report:

The notes to the financial statements referred in the Auditors Report are self-explanatory. There are no qualifications or reservations or adverse remarks or disclaimers given by the Statutory Auditors of the Company in the Auditors Report and therefore do not call for any comments under Section 134 of the Companies, Act, 2013.

b. Secretarial Audit Report:

The Secretarial Audit Report for the financial year 2020-2021 is annexed to this Report as **Annexure 4** and forms part of this Report**.**

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013:

Particulars relating to loans and guarantees or investments under section 186 of the Companies Act, 2013 are provided at Note no. 47 to the Standalone and Consolidated Financial Statements.

30. RELATED PARTY TRANSACTIONS:

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

A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis. We have obtained prior omnibus approval of the Audit Committee for transactions which are of repetitive nature. The transactions entered into pursuant to the omnibus and specific approval are reviewed periodically by the Audit Committee.

In compliance with the SEBI (LODR), and related party disclosures under the Accounting Standards, please refer Note 44 of the Standalone and Consolidated Financial statements.

In September 2020, the Board of Directors decided to sell the Company's flat, which was being used as a guest house. The Company sought assistance of professional services of an independent Auction House. On receipt of the bids, the flat was sold to

DIRECTORS REPORT

the highest bidder. However, the highest bid was from a related party. Therefore on receipt of the full bid amount, the flat was transferred. No bidder was offered or received terms and conditions, which were more favourable than the other bidders.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at http://www.punjabchemicals.com/wp-content/uploads/2019/08/Related-Party-policy.pdf.

In compliance with Section 134(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, we enclose Form AOC-2 at **Annexure 5** of this Report.

31. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and out go as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure 6** and forms part of this Report.

32. EMPLOYEES AND INDUSTRIAL RELATIONS:

The Board of Directors and the Management are extremely thankful to all the employees for their commitment, competence and dedication in the affairs of the Company. The relation between the management and employees are transparent, healthy and cordial.

The Welfare Schemes viz. preventive health check up, medical facilities in the factory premises, Co-operative stores, among others, are used extensively by all categories of the employees. The Company organises Sports events for the employees for healthy environment and developing the quality of sportsmanship among them.

The Board of Directors are pleased and place on record its appreciation for all categories of employees for their sincere efforts and the sense of belongingness and commitment towards the Company. Their support and sacrifices during COVID-19 had helped the Company to continue its operations. The management took all required efforts to keep them safe and educated.

The disclosure in terms of the provisions of Section 197(12) of the Act read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the name and details of employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other details of the concerned employees is annexed as **Annexure 7** and forms an integral part of this annual report.

33. RISK MANAGEMENT:

Pursuant to Schedule V of SEBI (LODR) Regulation, 2015, the Company has constituted a Risk Assessment Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report, forming part of the Board's Report.

The Company has formulated Risk Management Policy which is posted on the website of the Company at www.punjabchemicals.com. The Audit Committee also oversees the area of financial risks and controls.

The Management is fully aware of its responsibility and review various risks viz. Business, Environmental, manpower, financial and take corrective or appropriate actions as and when required for smooth functioning.

34. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Company's Board is fully balanced with required numbers of Executive and Independent Directors. As on March 31 2021, the Board consists of 8 Members, 2 of whom are Executive Directors, 2 Non Executive Non Independent Directors, 4 Independent Directors. The requirement of reconstitution of the Board is evaluated from time to time. Nomination and Remuneration Committee has formulated a Nomination and Remuneration Policy under Section 178 (3) of the Companies Act, 2013 which lays down criteria for determining qualifications, positive attributes and independence of a Director and remuneration for the Directors, Key Managerial Personnel and senior management level including the appointment of personnel one level below the Key Managerial Personnel.

The same can be viewed on our site http://www.punjabchemicals.com/wp-content/uploads/2018/07/Nomination-and-Remuneration-Policy.pdf.

35. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Regulation 22 of the Listing Regulations & Sub-section (9 & 10) of Section 177 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, interalia, provides, for all listed

DIRECTORS REPORT

companies to establish a vigil mechanism called "Whistle Blower Policy" for Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

As a conscious and vigilant organisation, the Company believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In its endeavour to provide its employee a secure and a fearless working environment, the Company has established the "Whistle Blower Policy". The same can be viewed at http://www.punjabchemicals.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-PCCPL.pdf

The Whistle Blower Policy and establishment of Vigil Mechanism have been appropriately communicated within the Company. The Whistle Blower Policy is also posted on the website of the Company. The purpose of the policy is to create a fearless environment for the Directors and employees to report any instance of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. It protects Directors and employees wishing to raise a concern about serious irregularities within the Company.

During the year, the Company has not received any complaint under Vigil Mechanism / Whistle Blower Policy.

36. POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE:

The Company has created and maintaining a secured work environment for the employees. The endeavour of the Company is to give a free and cordial atmosphere without harassment, exploitation and intimidation to all business associates of the Company. To empower women and protect women against sexual harassment, a policy for prevention of sexual harassment is in place and Internal Complaint Committee as per legal guidelines had been set up. This policy allows employees to report sexual harassment instances if any at the workplace to the Committee. The Internal Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair inquiry process with clear time lines. The Policy on Prevention of Sexual Harassment is also posted on the website http://www.punjabchemicals.com/wp-content/uploads/2018/07/Prevention-of-Sexual-Harrasment.pdf.

During the year ended March 31 2021, no complaints pertaining to sexual harassment was received by the Company.

37. CEO/CFO CERTIFICATION:

In terms of the Listing Regulations, the Certificate duly signed by Shri Shalil Shashikumar Shroff, Managing Director, Shri Vinod Kumar Gupta, CEO and Dr (HC) Sriram Swaminathan, Chief Financial Officer (CFO) of the Company was placed before the Board of Directors along with the annual financial statements for the year ended on March 31, 2021, at its meeting held on May 27 2021. The said Certificate is also annexed to the Corporate Governance Report.

38. AUDITORS:

a) STATUTORY AUDITORS:

M/s. B S R & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 101248W/W-100022), Statutory Auditors of the Company were appointed as Auditors of the Company, for a term of 5 (five) consecutive years, at the Annual General Meeting held on September 14, 2017 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Their appointment was subject to ratification by the Members at every subsequent AGM. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification by the Members for the appointment of the Statutory Auditors every year has been withdrawn from the Statute. Therefore, no resolution seeking ratification by the Members for continuance of their appointment has been proposed at this AGM. The Statutory Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

b) SECRETARIAL AUDITORS:

The Board upon recommendation of the Audit Committee has reappointed M/s. P.S. Dua & Associates, Company Secretaries (CP No. 3934), as the Secretarial Auditor to undertake the Secretarial Audit of the Company for the financial year 2021-2022, in terms of Section 204 of the Companies Act, 2013 and Rules there under.

c) COST AUDITORS:

As per the requirements of Section 148 of the Companies Act,2013 (the Act) read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company is required to maintain cost records and accordingly, the same have been maintained.

DIRECTORS REPORT

The Board of Directors upon recommendation of the Audit Committee appointed M/s Khushwinder Kumar & Co. Cost Accountant, Jalandhar (Firm Registration No.100123) as the Cost Auditor of the Company to conduct audit of the cost accounts of all the Divisions of the Company for the financial year 2021-2022. They have submitted a certificate of eligibility for the re-appointment.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, the required resolution for ratification of the remuneration to be paid to the Cost Auditor has been proposed at the ensuing Annual General Meeting.

The Cost Audit Report for the financial year 2019-2020 has been filed and the report for the year under review will be filed before the due date.

39. TRANSFER OF EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares on which dividends remain unpaid / unclaimed for a period of 7 (seven) consecutive years or more has to be transferred to the Demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Accordingly, the Company has transferred 1,09,179 Ordinary Shares of the face value of Rs. 10 per share to the Demat account of the IEPF Authority during the financial year 2017-18. During the year 2020-2021, no equity shares or dividend was required to be transferred to IEPF.

The Company had sent individual notice to all the shareholders whose shares were due to be transferred to the IEPF Authority and has also published newspaper, advertisement in this regard. The details of such dividends/shares transferred to IEPF are uploaded on the website of the Company at www.punjabchemicals.com. The members/ claimants whose shares and unclaimed dividend have been transferred to the IEPF Authority can claim the same by making an application to the IEPF Authority in Form IEPF- 5 along with requisite documents (available on www.iepf.gov.in) and sending duly signed physical copy of the same to the Company along with requisite documents prescribed in Form IEPF-5. Member/claimant can file only one consolidated claim in a financial year as per the IEPF Rules. No claims shall lie against the Company in respect of the dividend/shares so transferred.

Shri Punit K Abrol, Sr. V.P. (Finance) & Company Secretary is appointed as the Nodal Officer of the Company under the provisions of IEPF. The shareholders may send their requests regarding release of equity shares from IEPF Authority at the following email ID: investorhelp@punjabchemicals.com.

40. INTERNAL FINANCIAL CONTROLS:

The internal financial controls of the Company are constantly assessed and strengthened with proper standard operating procedures (SOP). They are reviewed in routine and required modifications in the SOP are carried out as per the requirement. The controls in the system are commensurate with size, scale and complexities of the business operations. The internal and operational audit have been entrusted to an independent firm of Chartered Accountant M/s. B.M. Varma & Co., Chartered Accountants, Chandigarh. Their assignment includes review of the Internal Financial Controls of various segments of the business and give report to the Audit Committee of any deviation.

The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Management Information System of the Company is an integral part of the control mechanism.

The Audit Committee, Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and the corrective actions taken.

Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Auditor has an access to the Chairman of the Audit Committee.

41. MATERIAL CHANGES AND COMMITMENTS, IF ANY:

No material changes and commitments have occurred between the end of the financial year and the date of the Report which has effect on the Financial Statements.

DIRECTORS REPORT

42. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant material orders passed by the Regulators or Courts or Tribunals which would impact the on going concern status of the Company and its future operations.

43. CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of business of the Company.

44. DIRECTORS' RESPONSIBILITY STATEMENT:

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

a) in preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation / disclosure relating to material departures, if any;

b) the Directors have selected such accounting policies, 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 as at March 31, 2021 and of the profit and loss of the Company for the year ended on that date;

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;

d) the Directors have prepared the annual accounts of the Company on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

45. INFORMATION TECHNOLOGY:

The Directors are pleased to inform that during the year under review, Company has started moving to next level in Information Technology. We have improved few key processes benefiting business, upgraded its Information Technology Infrastructure, Software, Hardware, Networking & Security.

In Business Process:-

The Company focused and implemented various modules to upgrade the SAP System. The Company also started generating various MIS related data and statements from SAP.

In Software:-

Software for Thermal & Mask recognition AI base solution integrated with time attendance safeguarding workforce attending factory with alert mechanism and tracking employees temperature installed. Various other steps to monitor movement of the employees during COVID period have also been provided.

In Hardware:-

Our SAP ERP server underwent upgrade and also version update was done for new features and functionality to meet up with future business growing needs. Many users were provided Laptops and other facilities during the period to work remotely during COVID period having continues and smooth business operation. Standardise policy of IT asset across our Company was done.

In Network & Security Domain:-

High uptime was maintained in network along with backup link and also regular security monitoring & update in Anti-Virus, Firewall was done by our Company. Secured access to Company information in office and home was facilitated with regular backup of critical servers.

46. SECRETARIAL STANDARDS:

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

47. ACKNOWLEDGEMENT:

The Board of Directors place on record its deep sense of gratitude to the Banks, NBFC, and other Lenders for the timely support to the Company for smooth operations. The Directors also take this opportunity to wholeheartedly thank the shareholders, customers, suppliers, and all other stakeholders for the confidence reposed by them in the Company and its Management

Your Directors wish to place on record their appreciation for the contribution made by the employees at all levels for their hard work, dedication and support.

For and on behalf of the Board of Directors

MUKESH DAHYABHAI PATEL
CHAIRMAN
DIN: 00009605

Place: Baroda
Date: May 27 2021

DIRECTORS REPORT

ANNEXURE 1 TO THE BOARD'S REPORT

FORM AOC 1

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

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

(Rs. In lakh)

Sl.	Name of the subsidiary	SD Agchem (Europe) NV	
1.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Same Reporting Period	
		Current Year	**Previous Year**
2.	Reporting Currency	**Euro**	Euro
3.	Exchange rate as on 31.03.2021	**86.10**	82.25
4.	Share capital	**7000**	7000
5.	Reserves & Surplus	**(8967)**	(8728)
6.	Total Assets	**22**	64
7.	Total Liabilities	**1989**	1792
8.	Investments	**-**	-
9.	Turnover	**1136**	914
10.	Profit before Taxation	**81**	89
11.	Provision for Taxation (earlier years)	**(236)**	-
12.	Profit after Taxation	**(155)**	89
13.	Proposed Dividend	**-**	-
14.	% of Shareholding	**100**	100
15.	Country	**Belgium**	Belgium

Part "B" Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

Sl. No.	Name of Associates/Joint Ventures	Not Applicable
1.	Latest audited Balance Sheet Date	
2.	Shares of Associate/Joint Ventures held by the Company on the year end	
	Number	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding %	
3.	Description of how there is significant influence	
4.	Reason why the associate/joint venture is not consolidated	
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	
6.	Profit / Loss for the year	
	i) Considered in Consolidation	
	ii) Not Considered in Consolidation	

MUKESH DAHYABHAI PATEL
Chairman
BARODA

SHALIL SHROFF
Managing Director
MUMBAI

AVTAR SINGH
Director (Operations & Business Development)
DERABASSI

VINOD KUMAR GUPTA
Chief Executive Officer
MUMBAI

PUNIT K ABROL
Sr. Vice President (Finance) & Company Secretary
DERABASSI

SRIRAM SWAMINATHAN
Chief Financial Officer
MUMBAI

Date: May 27 2021

DIRECTORS REPORT

ANNEXURE 2 TO THE BOARD'S REPORT

DETAILS OF CSR ACTIVITIES OF THE COMPANY FOR THE FINANCIAL YEAR 2020-21

1. A brief outline of the Company's CSR Policy of the Company:

The Company firmly believes in Corporate Social Responsibilities (CSR) and commits to take initiatives to contribute to harmonious and suitable development of the Society and its inhabitants. The Company has pursued CSR activities for the welfare work directly. The Company has given preference for the welfare activities in the local areas of its manufacturing sites and corporate office.

2. The Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Mukesh Dahyabhai Patel	Chairman cum Independent Director	1	1
2	Shri Shalil Shashikumar Shroff	Managing Director	1	1
3	Capt. Surjit Singh Chopra (Retd.),	Director	1	1
4	Smt. Aruna Rajendra Bhinge	Independent Director	1	1

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 Company's Composition of CSR Committee, CSR Policy and CSR projects approved by the Board can be viewed at the website of the Company at http://www.punjabchemicals.com/wp-content/uploads/2019/04/CSR-Policy.pdf.

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

The Company has been conducting internal impact assessments to monitor and evaluate its strategic CSR programs.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

S. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs.)
		NIL	

6. Average net profit of the Company as per section 135 (5): Rs. 2249 Lakh

7.

a)	Two percent of the average net profit of the Company as per section 135 (5).	Rs. 44.98 Lakh
b)	Surplus arising out of the 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	Rs. 3.60 Lakh
d)	Total CSR obligation for the financial year (7a + 7b +7c)	Rs. 48.58 Lakh

DIRECTORS REPORT

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

Total Amount spent for the Financial year (in Rs.)	Amount Unspent (in Rs.)			
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to National Unspent CSR Fund as per Section 135(5)	
	Amount	Date of Transfer	Amount	Date of Transfer
Rs. 49.90 lakh	NIL			

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

Sl No	Name of the Project	Project ID (if available)	Item from the list of Activities under Schedule VII	Local Area (Yes / NO)	Location of the Project		Amount Spent for the Project – in Rs	Mode of Implementation – Direct Y / No	Mode of Implementation – Through Implementation Agency – Yes / No	
					State	District			Name	CIN
Not Applicable										

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

Sl No	Name of the Project	Project ID (if available)	Item from the list of Activities under Schedule VII	Local Area (Yes / NO)	Location of the Project		Amount Spent for the Project	Mode of Implementation – Direct Y / No	Mode of Implementation – Through Implementation Agency – Yes / No	
					State	District	Rs. In Lakh		Name	CIN
1	Distribution of Ration during Lockdown Period in surrounding areas.	NA	i	Yes	Punjab	Mohali	1.93	Direct	NA	
2	Renovation of Washroom and Flooring in front of Classrooms in Govt. High School, Derabassi	NA	i	Yes	Punjab	Mohali	3.00	Direct	NA	
3	Renovation of 4 Washrooms and Flooring in Mid day Meal Shed & Prayer Ground in Govt. School, Village Sanoli	NA	i	Yes	Punjab	Mohali	3.50	Direct	NA	
4	Construction of 2 Washrooms and repair of old structure in Govt. High School, Derabassi	NA	i	Yes	Punjab	Mohali	2.15	Direct	NA	
5	Construction of 4 Girls Washrooms, Drinking Waterroom and Submersible Pump in Govt. Elementary School, Lalru	NA	i	Yes	Punjab	Mohali	2.75	Direct	NA	
6	Supply of 50 Benches, Tile Flooring, Sewing Machine, Black Board for disabled Children and flooring in front of Washrooms in Govt. Elementary School, Mirpur.	NA	ii	Yes	Punjab	Mohali	4.49	Direct	NA	

DIRECTORS REPORT

Sl No	Name of the Project	Project ID (if available)	Item from the list of Activities under Schedule VII	Local Area (Yes / NO)	Location of the Project		Amount Spent for the Project	Mode of Implementation – Direct Y / No	Mode of Implementation – Through Implementation Agency – Yes / No	
					State	District	Rs. In Lakh		Name	CIN
7	Supply of Teachers Table, Visitors Chairs, 2 Wheat Storage Drum, 5 Steel Almirah, Speaker with Mike, Smart LED TV, Water Cooler and 100 Benches in Govt. Sr. Sec. School, Bhukri, Derabassi.	NA	ii	Yes	Punjab	Mohali	4.02	Direct	NA	
8	Campus, Canteen, Computer Lab Civil Work, Supply of Pumps, Camera's, Benches, Chairs, Laptops, Printers, Split AC and other Computer Accessories in Sanskardham Kelvani Mandal School, Mumbai	NA	ii	No	Maharashtra		25.80	Direct	NA	
9	Supply of construction material for the Public utilities services in rural areas of Punjab	NA	x	YES	Punjab	Mohali	2.26	Direct	NA	
	TOTAL						**49.90**			

d) Amount spend in Administrative Overheads: NIL

e) Total amount on Impact Assessment, if Applicable: NIL

f) Total Amount spent for the financial year (8b+8c+8d+8e): Rs. 49.90 Lakh

g) Excess Amount for set-off, if any: Rs. 1.32 lakh

Sr. No.	Particulars	Rs. In lakhs
(i)	Two percent of average net profit of the Company as per Section 135(5)	44.98
(ii)	Total amount spent for the Financial Year	49.90
(iii)	Excess amount spent for the financial year [(ii)-(i)]	4.92
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-3.60*
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.32

* The Amount of Rs. 3.60 Lakh which was unspent for the year 2019-2020, was spent in the current financial year 2020-2021 and is included in the total amount spent.

DIRECTORS REPORT

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)	Amount spent in the reporting financial year (In Rs 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 (In Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1	2019-2020		3.60 *	**NIL**			
2	2018-2019			Not Applicable			
3	2017-2018			Not Applicable			
	TOTAL		3.60				

* The Amount of Rs. 3.60 Lakh which was unspent for the year 2019-2020, was spent in the current financial year 2020-2021 and is included in the total amount spent.

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

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

MUKESH DAHYABHAI PATEL
Chairman CSR Committee
BARODA

SHALIL SHASHIKUMAR SHROFF
Managing Director
MUMBAI

VINOD KUMAR GUPTA
Chief Executive Officer
MUMBAI

May 27, 2021

DIRECTORS REPORT

ANNEXURE 3 TO THE BOARD'S REPORT

BUSINESS RESPONSIBILITY REPORT 2020-2021

[Regulation 34 (2) (f) of SEBI Listing Regulations, 2015]

Introduction

The Business Responsibility Report FY 2020-21 of Punjab Chemicals and Crop Protection Limited (PCCPL) adheres to the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, as advised by the Ministry of Corporate Affairs (MCA), Government of India.

PCCPL follows the highest standards of corporate governance principles and best practices by adopting the Corporate Governance Policies and Code of Conduct. These policies recommend a set of systems and processes driven by the fundamental principles of transparency, accountability, compliances, disclosure, ethical conduct, and the responsibility to encourage the interests of all stakeholders. The policies and the code are assessed periodically to ensure their relevance, effectiveness, and responsiveness to the requirements of our stakeholders.

Our Business Responsibility Report forms our responses to questions on our practices and performance on crucial principles defined by Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, covering topics across governance, environment, and stakeholder relationships.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	**Corporate Identity Number (CIN) of the Company:**	L24231PB1975PLC047063
2.	**Name of the Company :**	Punjab Chemicals and Crop Protection Limited
3.	**Registered address :**	Milestone-18, Ambala-Kalka Road, Village & Post office Bhankharpur, Derabassi, District SAS Nagar (Mohali) -140201
4.	**Website:** **E-mail id:**	www.punjabchemicals.com info@punjabchemicals.com
5.	**Financial Year reported:**	2020-2021
6.	**Sector(s) that the Company is engaged in (industrial activity code-wise**	
	Chemicals (Performance Chemicals)	20119, 20211
	As per National Industrial Classification – Ministry of Statistics and Programme Implementation.	
7.	**List three key products/services that the Company manufactures/provides (as in balance sheet)**	
	The Company principally manufactures 'Performance Chemicals' comprising of Agrotechnicals, API's, Pharmaceutical Intermediates, Phosphorous Derivatives and Speciality Chemicals.	
8.	**Total number of locations where business activity is undertaken by the Company**	
	(a) Number of International Locations (Provide details of major 5)	SD Agchem (Europe) NV N.A. (Subsidiary Company 100%) 2 (87) Uitbreiding straat 84/B32600, Berchem(Antwerp) Belgium
	(b) Number of National Locations:	Derabassi, Punjab Lalru, Punjab Pune, Maharashtra Mumbai, Maharashtra
9.	**Markets served by the Company – Local/State/ National/International:**	PCCPL serves Local / State / National and International markets, including Europe, Japan and UK.

DIRECTORS REPORT

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	**Paid up Capital** (Rs. in Crore) :	12.26
2.	**Total Turnover** (Rs. in Crore) :	676.41
3.	**Total profit after taxes** (Rs. in Crore) :	50.54
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**	Total spend on CSR during financial year 2020-2021 is Rs. 49.90 lakh (including Rs. 3.60 lakh of last year) which is in compliance of Section 135 read with Schedule VII of the Companies Act, 2013. The 2% of the average profit for the last three years Rs. 44.98 lakh.

5. **List of activities in which expenditure in 4 above has been incurred:**
   - Education by improving infrastructure of schools
   - Healthcare
   - Animal Husbandry

SECTION C: OTHER DETAILS

1.	**Does the Company have any Subsidiary Company/ Companies?**	Yes. As on 31st March 2021, the Company has one 100% overseas subsidiary in the name of 'SD Agchem (Europe) NV' based in Belgium.
2.	**Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s)**	The overseas Subsidiary of the Company is based in Belgium. The Company encourages its subsidiary to participate in the business responsibility initiatives to the extent possible. The scale of operations in the subsidiary is very less with no permanent employees, therefore there is very limited scope to participate in BR initiatives.
3.	**Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**	In most of the cases, BR initiatives are carried out by PCCPL directly. The Company does not mandate its suppliers and distributors to participate in the business responsibility initiatives, but it encourages them to support the Company's BR initiatives, to the best extent feasible.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. **Details of Director/Directors responsible for BR**

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

Particular	Details of Directors	
DIN Number	00015621	00063569
Name of Director	Shalil Shashikumar Shroff	Avtar Singh
Designation	Managing Director	Director (Operations & Business Development)

(b) Details of the BR head:

Name of BR head	Vinod Kumar Gupta
Designation	Chief Executive Officer
Telephone Number	01762- 280086, 522250
Email ID	info@punjabchemicals.com

DIRECTORS REPORT

2. Principle-wise (as per NVGs) BR Policy/policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3 Businesses should promote the wellbeing of all employees.
P4 Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5 Businesses should respect and promote human rights.
P6 Business should respect, protect, and make efforts to restore the environment.
P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8 Businesses should support inclusive growth and equitable development.
P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are based on the "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" released by the Ministry of Corporate Affairs, Government of India.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner / CEO/ appropriate Board Director?	Yes. The Business Responsibility Policy covering all the nine Principles / Policies is approved by the Board in their meeting held on June 29, 2020 and signed by the Managing Director.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company does not have any specific committee to oversee the implementation of the Policy. The Executive Directors oversee the implementation. Furthermore, Mr. Vinod Gupta, CEO of the Company, has been entrusted to implement the Policy with his team.								
6.	Indicate the link for the policy to be viewed online?	The Policies of the Company are available on the website of the Company at the below-mentioned link: https://www.punjabchemicals.com/wp-content/uploads/2020/07/Business-Responsibility-Policy.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The BR policies are communicated through this report. However BR Policies are available on the website of the Company.								

DIRECTORS REPORT

8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company has not carried out independent evaluation of the working. However, the Board evaluates the implementation on the basis of internal report of the Functional Heads. The Policy relating to Environment, Health and Safety apart from internal audits are also evaluated by external ISO audit agencies.								

(b) If answer to the question at serial number 1 against any principle, is "No", please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles.	Not applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3.	The Company does not have financial or manpower resources available for the task.									
4.	It is planned to be done within next 6 months.									
5.	It is planned to be done within the next 1 year.									
6.	Any other reason (please specify)									

3. Governance related to BR:

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Board of Directors assess the performance of the Business Responsibility on an Annual basis. It approves an annual operating plan which is executed by the CEO and his team. Every quarter the CEO and the team review the progress with the Board.

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

The Business Responsibility Report forms part of the Directors' Report / Annual Report. The Business Responsibility Report can be accessed at the website of the Company i.e. www.punjabchemicals.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

The Company firmly believe in ethical corporate operations. The culture of ethical corporate citizenship is an established foundation of the Company.

The Management and Employees of the Company are committed to operate its business ethically in a manner such that all stakeholders i.e. investors, creditors, distributors, customers, employees, and even competitors, the governments and society at large are dealt in a fair manner.

The core value of PCCPL's ethical policy and practices are trustworthiness, respect for all stakeholders, integrity and fair play.

DIRECTORS REPORT

The measurement of ethical behaviour revolves around

a. Fairness to all stakeholders;

b. Transparency in all business dealings;

c. Understanding and discharging societal responsibility keeping the core values in play;

d. Long term thinking;

e. Follow every law of the land in spirit as well as the letter; and

f. besides above, it is also expected from every member of the Board and Senior management including the functional heads:

   1. Not to involve in related party transactions.
   2. Not take directorship in competitor's Company.
   3. To adhere to the provisions of the Code of Conduct of the Company.

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

The Company's code of conduct and policy on Ethics, Transparency and Accountability covers the policy on bribery and anti-corruption and is applicable to its business associates, subsidiary, suppliers, contractors, NGOs and other entities, which are directly dealing with the Company in business operations.

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

During the year under review, the Company did not receive any such complaint.

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

The Company acts responsibly to provide products with proper safety and as per approved regulatory norms.

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

We are manufacturing Performance Chemicals having products which incorporate positive environmental attributes. The Company strives to embed the principles of sustainability across various stages of product or service life-cycle and also aims to have a positive social impact through its operations.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company manufactures a wide range of Performance Chemicals. As the product mix and volumes vary from time to time, it is difficult to ascertain any reduction achieved product wise. However the Energy Conservation Annexure in the Directors Report gives broad information on this subject.

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

Yes

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company adopts the sustainable sourcing of almost all materials and responsible transportation in the normal course of business. However, in the exceptional circumstances the sources are changed after taking all precautions. The Company has formulated a standard operating procedure to approve vendors of all materials for procurement based on their sustainability. The Company pursues its business activities safely and sustainably. All work practices, procedures and production endeavours to comply with the standards of Safety, Health, and Environment as per industry norms, Government and relevant statutory bodies.

DIRECTORS REPORT

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Yes. We prefer the local service providers for items used in routine manufacturing activities provided they are available. The procurement team, with the help of the technical team, interact with local producers and service providers to avail their services wherever possible. The team also guides the local vendors and the service providers of the actual requirement and ways to improve the quality of goods, services and their capability. The Company believes in uplifting the local economy in the vicinity of its operations by, procuring as many items as possible from small vendors.

   Over last one year, the Company has developed local sources for 6 critical raw materials and continues to work with other producers to develop products locally.

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

   The Company believes in waste minimisation and has practices in place to recycle products, wherever possible. This is a part of the drive for process efficiency and product stewardship. The recycling of waste and products of various quality is more than 10%. This reduces the generation of wastes and pollution. The Company also has a system for recovering NOX gases for maintaining a clean environment and efficiency. The two sites of the Company are Zero Liquid Discharge and the same is being complied with in line with Punjab Pollution Control Board guidelines.

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

The Company believe in wellbeing of its employees. Therefore, many schemes for their welfare have been implemented.

As on 31st March, 2021:

1. **Total number of permanent employees.**

   Total number of employees as on 31st March 2021 – 1,176

2. **Total number of employees hired on temporary/contractual/casual basis.**

   During the year 2020-21, PCCPL hired 597 employees on contractual basis. The Company does not hire employees on temporary or casual basis. However, the Company awards jobs and works contracts to contractors at its various projects as per requirement of the project or work. The number of workers with contractors varies from time to time.

3. **Number of permanent women employees.**

   Number of permanent women employees as on 31st March 2021 – 50

4. **Number of permanent employees with disabilities.**

   Number of permanent employees with disabilities as on 31st March 2021 – Nil

5. **Employee association that is recognized by the management.**

   PCCPL Workers' Union and Alpha Drug India Workers Union

6. **Percentage of permanent employees as members of this recognized employee association?**

PCCPL Workers' Union :	74%
Alpha Drug India Workers Union :	72%

DIRECTORS REPORT

7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

8. **Percentage of employees given safety & skill up-gradation training in the last year?**

   The Company has adopted a detailed annual plan for training of all level of employees (Corporate and project site). Additionally, training on specific knowledge areas for relevant discipline is also arranged as per the requirement.

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

The Company has identified suppliers, customers, employees, local community and investors as its key stakeholders. The Company engages periodically with these stakeholders to understand their problems and mitigate them as far as possible.

1. **Has the Company mapped its internal and external stakeholders?**

   The Company has mapped its internal and external stakeholders as follows;

   - External Stakeholders : Community, Consumers, Customers, , Government, lenders, NGOs .

   - Internal Stakeholders : Employees and Shareholders

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Whenever any such stakeholder is noticed, the required help is provided in the best possible way. For Community stakeholders, the wellbeing of the marginalized people is taken care under the CSR policy by providing medical facility; improvement in infrastructure of schools; public utilities and meeting other requirements. For the welfare of employees , various schemes have been introduced for raising their standard of living; providing assistance to improve education; and taking care of emergency needs.

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

   The initiatives undertaken by the Company for the disadvantaged, vulnerable stakeholders are elaborated in the Annexure – II of the Directors' Report (CSR) and point no 2 above.

Principle 5: Businesses should respect and promote human rights.

The Company respects and promotes human rights for all individuals. It is committed to identify, prevent, and mitigate adverse human rights impacts resulting from or caused by business activities before or if they occur through human rights due diligence and mitigation processes.

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

   There are other policies like Whistle Blower and Sexual Harassment Policy which deals with the issue of protecting the rights of all the employees working in any business division. Through interaction with external bodies the Company has safeguard in place to protect the human rights of external stakeholders in true spirit.

   PCCPL discourages dealing with any business partners who are not serious in protection of Human Rights and have non-compliance at their end. At PCCPL employability of Child labour or forced labour is strictly prohibited.

DIRECTORS REPORT

2. **How many stakeholder complaints with respect to Human Rights have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   No complaint was received regarding violation of human rights during the financial year 2020-21.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

The Company values the long-term benefits of adhering to environmental best practices and is committed to respect, protect, and make efforts to respect the environment.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures / Suppliers / Contractors / NGOs / others.**

   The Policy related to Principle 6 covers Company and applicable stakeholders.

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

   The Company tries to adopt renewable energy and energy efficiency measures in its operations wherever possible, plant trees and take other initiatives to protect and save the environment.

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

   Yes, the Company identifies potential risks and has assessed their potential impacts & probability of occurrence, identified mitigation measures and delegated responsibilities to mitigate potential environmental risks.

   The Company is serious and aware of healthy environment. The efforts to reduce air pollution by minimizing ash / dust particles in air and foul smell of chemicals and safety issues of the units is a continuous process. Moreover, the plants are regularly monitored by the concerned Pollution Control Department. There is always a risk of fire, explosions and air pollution. The Company has taken possible safety measures and follow necessary parameters for the safety of plant, people and its surroundings. Safety audits are conducted in routine by internal as well as external teams. The storage and safety aspects are regularly monitored. The head of the department of safety holds regular meetings and brief the people concerned so that they remain vigilant and alert. Proper safety systems are installed to minimize the after effects of any mis-happening in the premises and proper safety kits and training is given to employees. The Company stresses that not only inside of the plants but the surroundings should also remain safe and clean for the inhabitants.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   Yes, the Company constantly endeavours to improve its environmental performance and reduction of emission from its existing facilities. For the new products under development the Company ensures minimal impact by optimising the process parameters & controlling emissions.

   The Company has not registered any projects under the Clean Development Mechanism.

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

   The Company has taken various initiatives on conservation of energy and technology absorption, which is a part of the Directors' Report.

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

   Yes. The emissions/waste generated by the Company for Financial Year 2020-2021 are within permissible limits given by Central and State Pollution Control Boards.

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

   As on March 31, 2021 there were no pending show cause or legal notices received from CPCB or SPCB, to the best of the Company's knowledge and understanding.

DIRECTORS REPORT

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

The Company operates with consistent, balanced and transparent approach with various regulatory authorities and social organisations as and when required. The Company also engages with industry bodies and associations to influence public and regulatory policy in a responsible manner as and when required.

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

   Yes. The Company is a member of Indian Chemical Council besides other business association such as PHD Chambers, Derabassi Industries Association, Lalru Industries Association, Chemxcil and Pharmexcil.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company supports the initiatives taken by above associations in their endeavour to advance or improve public good, wherever applicable.

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

The Company's affirmative policies, which comply with Government of India guidelines promote diversity, equity and recognise people on their merits and skill sets irrespective of their race, caste, religion, colour, ancestry, marital status, gender, age, and nationality.

Furthermore, the Company also has a well-structured CSR and Sustainability Policy. In view of the same, the Company has various social development projects, which are aimed at promoting healthcare, providing sanitation, and creating livelihood for the people especially those belonging to the disadvantaged sections of the society.

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

   Yes. The Company has three strategic CSR themes – Education, Public Utilities and implements multiple projects close to its operations under each of these themes.

2. **Are the programmes/projects undertaken through inhouse team/own foundation/external NGO/ government structures/any other organization?**

   The Company has adopted a collaborative approach to CSR and the in house team works with local organisations to assess the best utilisation of the available funds.

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

   Yes, the improvement in infrastructure of few schools and eye operations of many local habitats speaks for itself for the impact on society and on the public of those areas.

4. **What is your Company's direct contribution to community development projects- Amount in Rs. and the details of the projects undertaken?**

   The Company undertakes Community Development Projects under the CSR Policy. The details have been given in the Annual Report.

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

   The Company ensures that the initiatives undertaken under the aegis of CSR are thoughtfully selected, well-executed and accepted and valued by the intended beneficiaries.

   Ownership and participation by the community is encouraged in the initiatives to ensure self-sustenance of the initiatives in the long-run.

DIRECTORS REPORT

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

PCCPL is committed to engage with and provide value to their customers and consumers in a responsible manner.

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

   No consumer cases are pending.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)**

   Yes, the Company adheres to all the applicable statutory laws regarding product labelling and displays relevant information on product label.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour against the Company during the last five years and as at the end of Financial Year 2020-2021.

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

   No surveys has been carried out because the Company deals in the B2B segment and does not deal directly with consumers. The consumers of the Company are established businesses who have a feedback and review system. The Company has not received any complaints regarding its' product in last one year.

For and on behalf of the Board of Directors

MUKESH DAHYABHAI PATEL
(DIN:00009605)
Chairman

Place: Baroda
Date: May 27 2021

DIRECTORS REPORT

ANNEXURE 4 TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[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

Punjab Chemicals and Crop Protection Limited
Milestone 18, Ambala Kalka Road,
Village & P.O. Bhankharpur,
Derabassi, Mohali, Punjab –140201.
(CIN: L24231PB1975PLC047063)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Punjab Chemicals and Crop Protection Limited** (hereinafter called 'the Company'). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company'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 representatives 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 31 March 2021 (the period under review) 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 31 March 2021 according to the provisions of:

(i) The Companies Act, 2013 and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

(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:

- There was no Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment, during the period under review as informed to us by the management of the Company.

(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- Not applicable to the Company during the period under review.

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- Not applicable to the Company during the period under review.

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable to the Company during the period under review.

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act 2013 and dealing with client - Not applicable to the Company during the period under review.

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company during the period under review.

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable to the Company during the period under review.

DIRECTORS REPORT

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Securities Exchange Board of India ("SEBI") has issued a Show Cause Notice to the Company vide reference no. SEBI/EAD/AA/KL/10923/2020 dated June 10, 2020 under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and Rule 4 of the Securities Contracts (Regulations) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005, for an alleged violation with the provisions of Regulations 4(1)(d), 4(1)(h), 4(1)(j), 4(2)(d)(iii), 30(2), 30(4)(i) read with Schedule III, Regulation 30(9), Clause 5 of Part 'B' of Schedule III read with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to its Managing Director and Director (Operations and Business Development) for an alleged violation with the provisions of Regulations 30(4)(i), 30(5) and 30(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Show Cause Notice to the Company has been disposed off and adjudication proceedings initiated against the Company got settled vide Settlement Order no. SO/SM/HP/2020-21/6258 dated March 25, 2021 against payment of Rs. 21,67,500/- (Rupees Twenty-One Lakh Sixty-Seven Thousand and Five Hundred only). The Company paid the settlement amount of Rs. 21,67,500/- (Rupees Twenty-One Lakh Sixty-Seven Thousand and Five Hundred only) towards the settlement terms to SEBI as per the information provided to us.

The Show Cause Notice issued to its Managing Director and Director (Operations & Business Development) too have been disposed off and adjudication proceedings initiated against them [i.e. Managing Director and Director (Operations & Business Development)] got settled against the payment of Rs. 14,45,000/- (Rupees Fourteen Lakh Forty-Five Thousand only) each by settlement order no. SO/SM/HP/2020-21/6259 dated March 25, 2021 and SO/SM/HP/2020-21/6260 dated March 25, 2021 respectively.

Both the Managing Director and Director (Operations & Business Development) have paid the settlement amount of Rs. 14,45,000/- (Rupees Fourteen Lakh Forty-Five Thousand only) each towards the settlement terms to SEBI as per information provided to us.

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

We further report that we have relied on the representation made and other documents provided by the Company, its officers and certify on the examination of the same on test check basis that the Company has complied with the following laws applicable specifically to the Company:

(i) The Boilers Act, 1923;

(ii) The Poisons Act, 1919;

(iii) Insecticides Act, 1968;

(iv) Drugs and Cosmetics Act, 1940;

(v) The Environment (Protection) Act, 1986;

(vi) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;

(vii) The Water (Prevention & Control of Pollution) Act, 1974; and

(viii) The Air (Prevention & Control of Pollution) Act, 1981.

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. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice was given to all the Directors to schedule the Board meetings, and agenda and detailed notes on agenda were sent at least 7 (seven) days in advance except meetings which were conducted at shorter notice, in compliance with the provisions of the Companies Act, 2013. Further, 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.

Decisions were taken by majority, while the dissenting members' views, if any, were captured and recorded as part of the minutes.

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.

DIRECTORS REPORT

We further report that during the review period:

1. The Company has obtained approval of shareholders by way of Postal Ballot for the following: -
   a) Re-appointment of Shri Avtar Singh (DIN: 00063569) as the Whole Time Director of the Company and to fix his remuneration.
   b) Re-appointment of Shri Shalil Shashikumar Shroff (DIN: 00015621) as the Managing Director of the Company and to fix his remuneration.

Note: Due to pandemic "COVID-19" some of the books, documents, records, e-forms (forms) and returns, registers, minutes were not verified physically and the same were made available in electronic mode and were verified on the basis of the representations received and made by the management of the Company, its officers, agents and authorized representatives for its accuracy and authenticity.

Signature:-
Name of Company Secretary in Practice: - P.S. Dua
FCS No. 4552
Place: - Ludhiana **C P No. 3934**
Date: - 27.05.2021 **UDIN: F004552C000380642**

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

Annexure A to Secretarial Audit Report

To
The Members

Punjab Chemicals and Crop Protection Limited
Milestone 18, Ambala Kalka Road,
Village & P.O. Bhankharpur,
Derabassi, Mohali, Punjab –140201.
(CIN: L24231PB1975PLC047063)

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 an 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 and relied on 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 the verification of procedure 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.

Signature:-
Name of Company Secretary in Practice: - P.S. Dua
FCS No. 4552
Place: - Ludhiana **C P No. 3934**
Date: - 27.05.2021 **UDIN: F004552C000380642**

DIRECTORS REPORT

ANNEXURE 5 TO THE BOARD'S REPORT

FORM AOC-2

PARTICULARS OF CONTRACTS/ ARRANGEMENTS MADE WITH RELATED PARTIES

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1.	**Details of contracts or arrangements or transactions not at arm's length basis:**	
a)	Name(s) of the related party and nature of relationship	There were no contracts or arrangements or transactions entered into during the year ended March 31, 2021, which were not at arm's length basis.
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188	
2.	**Details of material contracts or arrangement or transactions at arm's length basis :**	
a)	Name(s) of the related party and nature of relationship	There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2021.
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Date(s) of approval by the Board	
e)	Amount paid as advances, if any	
f)	Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188	

For and on behalf of the Board of Directors

MUKESH DAHYABHAI PATEL
DIN:00009605
CHAIRMAN

Place: Baroda
Date: May 27 2021

DIRECTORS REPORT

ANNEXURE 6 TO THE BOARD'S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO IN ACCORDANCE WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A) CONSERVATION OF ENERGY

a) Steps taken for Conservation of Energy and Impact:

- Some of the present equipments are being replaced with better designed and alternate equipments to improve efficiency, safety and to reduce the time cycle for energy saving.
- Continuous efforts to increase manufacturing plant capacity by debottlenecking /alternative routes to reduce energy and reduction in effluent load, which impact positively on environment.
- Boiler was revamped for increasing efficiency and to decrease the breakdowns.
- Flow meters have been installed in the boilers to control the steam and check the quantities.
- Studies have been conducted to decrease the effluent generation in the plants by increasing the solvent recovery. This has helped to conserve energy.

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

Energy Audit was conducted and implementation of the suggestions received to save energy are in progress.

c) Capital investment on energy conservation equipments:

The Company regularly monitors the energy consumption and make necessary investments by installing energy efficient equipments, wherever required.

Above efforts and monitoring helps in energy conservation and to save cost.

B) TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption;

Quality of the products improved by controlling impurities as per new norms laid down by the customers.

(ii) Benefits derived as a result of the above efforts, e.g. Product improvement and cost reduction, product development, import substitution etc.

Process modifications being carried to decrease the time cycle, improve efficiency, safety and for cost reduction.

(iii) Technology imported during the last 3 years:

The Company has not imported any technology.

(iv) The expenditure incurred on Research and Development: (Rs. in lakh)

	2020-2021	2019-2020
a) Capital	24	21
b) Recurring	173	97
c) Total	197	118
d) Total R&D expenditure as %age of total turnover	0.29%	0.20%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(Rs. in lakh)

	2020-2021	2019-2020
i) Earned	42257	34104
ii) Used	7752	4359

For and on behalf of the Board of Directors

MUKESH DAHYABHAI PATEL
DIN:00009605
CHAIRMAN

Place: Baroda
Date: May 27 2021

DIRECTORS REPORT

ANNEXURE 7 TO THE DIRECTORS' REPORT

DISCLOSURE REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RILE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Requirements	Disclosure			
1	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-2021 and percentage increase / decrease in the remuneration of each Director.	**Director's Name**	**Remuneration Rs. in Lakh**	**Ratio to MRE**	**% increase/ (decrease) in remuneration in 2020-2021 over 2019-2020**
		Shri M.D. Patel	3.68	0.85	-63.79%
		Shri Shalil Shroff*, Managing Director	232.32	37.54	12.42%
		Shri Vijay Rai	3.53	0.82	-64.21%
		Capt. S. S. Chopra	1.43	0.33	-40.63%
		Smt. Aruna R. Bhinge	2.78	0.64	-22.92%
		Shri Sheo Prasad Singh	2.93	0.68	-22.00%
		Shri S. S. Tiwari	1.43	0.33	-44.12%
		Shri Avtar Singh*, Whole Time Director	164.91	30.05	9.41%

*The salary and commision to both the Whole time Directors is paid and provided within the ceiling provided in the Companies Act, 2013

During the year 2019-2020, the Non Executive Directors were paid Commission for the year 2018-2019 and no commision was paid during 2020-2021, leading to decrease in the remuneration of the Non-Executive Directors in 2020-2021 over 2019-2020.

The commission of Rs. 45 lakh has been approved for the Non Executive Directors for the financial year 2020-2021. The same shall be distributed among them after approval of the members and adoption of financial results in the ensuing Annual General Meeting.

The Board has approved Commission of Rs. 105 lakh to the Executive Directors (Shri Shalil Shashikumar Shroff Rs. 70 Lakh and Shri Avtar Singh Rs. 35 Lakh) for the year 2020-2021 in line with remuneration approved by the shareholders of the Company, to be paid/ distributed in the financial year 2021-2022, which has been included in the remuneration of both the Executive Directors.

2	The percentage increase in remuneration of Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2020-2021.	**Name**	**Designation**	**Remuneration (Rs. In lakh)**	**% increase in remuneration**
		Shri Vinod Kumar Gupta*	Chief Executive Officer	19.20	NA
		Dr (HC) Sriram Swaminathan*	Chief Financial Officer	89.40	NA
		Shri Punit K Abrol	Company Secretary	73.89	-4.04%

* Dr (HC) Sriram Swaminathan was appointed Chief Financial Officer w.e.f. 1st April, 2020 and Shri Vinod Kumar Gupta joined as the Chief Executive Oficer w.e.f. 8th February, 2021. Accordingly there is no increase / decrease of remuneration from the previous year during the year.

DIRECTORS REPORT

3	The percentage increase in the median remuneration of employees in the financial year.	**Median FY 2020-2021 (In Rs.)**	**Median FY 2019-2020 (In Rs.)**	**% increase/ decrease**
		432,375	436,235	-0.88%
4	The number of permanent employees on the roll of the Company.		**As on 31.03.2021**	**As on 31.03.2020**
			1176	1089
5	Average percentile increase already made in the salaries of employees other than the managerial remuneration in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	**Aggregate of remuneration paid to Employees in FY 2020-2021 (Rs. in lakh)**	**Aggregate of remuneration paid to Employees in FY 2019-2020 (Rs. in lakh)**	**% increase / decrease**
		6104	6185	-1.31%
		In view of the economic conditions impacted by the COVID-19 pandemic there was a cut in the remuneration of Managerial personnel in the first quarter of the financial year 2020-2021 to express solidarity and conserve resources. Accordingly the average decrease in salary of employees is 1.31% from the previous year.		
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid to Directors, KMP's and other employees during the year is as per the Remuneration Policy of the Company.		

Note:

1. The Median salary of the staff Members is arrived by taking into account the gross salary of the employees who worked through the year. The employees who joined or left in any part of the year have not been considered for computing the median.
2. No Stock option was granted to Directors.

Statement showing the detail of employes drawing aggregate remuneration exceeding one crore and two lakh rupees as per Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014.

Employee name, designation and age	Educational Qualification	Remuneration (In Rs.)	Date of joining and experience	Previous employment and designation	Relation with any other Director / Manager
Shalil Shroff - Managing Director 56 years	Management Diploma from U.S.A. and B.Com	23,231,809	15.01.1992 32 years	STS Chemicals Limited, Director	Son in law of Capt S.S. Chopra (Retd), Director
Avtar Singh - Director (Operations) & Business Development 62 years	B.Sc.	16,490,525	20.12.1980 40 years	Gharda Chemists (P) Ltd., Jr. Chemist	N.A.
Shri Vinod Kumar Gupta - Chief Executive Officer 50 years	Chemical Engineer, IIT Bombay & Post Graduate Program in Management for Executives, IIM Ahmedabad	1,915,186	08.02.2021 29 years	Archean Chemicals Industries Private Limited - CEO	N.A.

* The remuneration of Mr. Vinod Kumar Gupta, CEO is for a part of the year as he was appointed w.e.f. 8th February, 2021.

The Board has approved Commission of Rs. 105 lakh to Executive Directors (Shri Shalil Shashikumar Shroff Rs. 70 Lakh and Shri Avtar Singh Rs. 35 Lakh) for the year 2020-2021 to be paid/ distributed in the financial year 2021-2022, which has been included in the remuneration of both the Directors.

For and on behalf of the Board of Directors

MUKESH DAHYABHAI PATEL
DIN:00009605
CHAIRMAN

Place: Baroda
Date: May 27 2021

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on corporate governance revolves around sound, transparent and fair business practices with accountability. The key features of the Corporate Governance Policy of your Company is to maintain the highest standards for disclosure practices, professionalism, transparency and accountability in all its dealings. We practice Good corporate governance not only for compliances of applicable statutes in the Organisation, but also to ensure transparency, provide a robust MIS and ensure the interest of all stakeholders is protected. This helps the Company to generate wealth with honour.

The Company as a good Corporate citizen complies with the conditions of corporate governance pursuant to the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time.

Code of Business Conduct & Ethics

The Company has adopted a Code of Conduct and Business Ethics for Directors and Senior Management of the Company, as required under Regulation 17(5)(a) of the Listing Regulations. The Company has received confirmations from the Directors and Senior Management regarding compliance with the Code for the year ended 31st March, 2021. A certificate from the Managing Director to this effect is attached to this Report.

The Code has been displayed on the Company's website https://www.punjabchemicals.com/wp-content/uploads/2021/02/Code-of-Conduct-and-ethics-PCCPL.pdf.

Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading pursuant to the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amended as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The Company Secretary acts as the Compliance Officer.

The Code of Conduct is applicable to Promoter(s), Director(s), Key Managerial Personnel, specified employees and other Connected Person of the Company who are expected to have access to Unpublished Price Sensitive Information (UPSI) relating to the Company. All of them have duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. They are also reminded from time to time to adhere to this Code, which is displayed on the website of the Company at http://www.punjabchemicals.com/wp-content/uploads/2019/04/Code-of-conduct-to-regulate-monitor-and-report.pdf.

The Directors and senior designated employees have given their annual affirmation for the compliance under this code.

2. THE COMPOSITION OF BOARD OF DIRECTORS

The Board of Directors of the Company is constituted with experienced and professional Directors from different fields.

The Board is responsible to supervise the Corporate Governance practices in the Company. The Board provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder's aspirations under the applicable corporate governance rules.

The Directors participate in the discussion of the Board as per their speciality and the information provided to them. Their versatile experience and maturity helps in driving best decisions out of the discussion for the benefit of the Company and the Stakeholders.

The Board of Directors constitute of 8 (eight) Directors. There are 2 (two) Executive Directors (Managing Director and Director (operation), 2 (two) are Non-Executive and remaining 4 (four) are Independent Directors, including one Independent Woman Director. The Chairman is an Independent Director. The Managing Director is a permanent Director, being the Promoter. Two Non-Executive Directors and Director (Operations) are retired by rotation at the annual general meetings to comply with the provisions of the Companies Act.

REPORT ON CORPORATE GOVERNANCE

Core skills/expertise/competencies of the Board members

Name of Director	Category	Core skills / expertise / competencies
Shri Mukesh Dahyabhai Patel	Chairman Independent/ Non-Executive	Graduate in Chemical Engineering, experience in finance and Corporate management for more than 46 years. He was associated with various industry bodies, such as India Chemical Manufacture Association, CHEMXCIL and Indian Association of Materials' Management.
Shri Shalil Shashikumar Shroff	Promoter Executive (Managing Director)	Management Diploma from University of Deopage, USA. He is associated with Company since 1992. Expertise in overall management and exploring new market for the products and getting liaison with new customers.
Capt. Surjit Singh Chopra (Retd.)	Non-Independent/ Non-Executive	Qualified in National Defence Academy (NDA), Khadakvasla and has rich experience of organisation capabilities and inspires the management and other executives working in the Company. He has served in Indian Air Force for 15 years and Air India for 26 years. Competent in advising on various managerial and administrative matters.
Shri Vijay Dilbagh Rai	Independent/ Non-Executive	B. Tech from IIT, Kharagpur with courses in marketing and personnel management. Experience of more than 50 years in Industry out of which 28 years was with the Tata group in India and was the CEO of Rallis the then largest Agrochemicals Company in India for 12 years.
Smt. Aruna Rajendra Bhinge	Independent Woman/ Non-Executive Director	Master of Management Studies from Narsee Monjee Institute of Management Studies, Master of Science from University of Bombay. She has more than 30 years of experience with leadership positions in business strategy, marketing, sales, projects & partnership in the healthcare and agri business sectors.
Shri Sheo Prasad Singh	Independent/ Non-Executive	He is M.Sc, C A I I B, PGDFRM, PGDFA. A veteran banker with more than 38 years of experience in Commercial Banking including, Treasury, Direct/Indirect Taxation, management of Superannuation Funds.
Shri Avtar Singh	Non-Independent/ Executive Director (Operations and Business Development)	B.Sc. from Panjab University, Chandigarh. He has overall experience of about 40 years in the manufacturing of Chemicals, Pharmaceuticals and Agrochemicals of the Company.
Shri Shivshankar Shripal Tiwari	Non-Independent/ Non Executive	M.Sc. and Post graduate Diploma-Business Management. He is experienced in managing the chemical plants, production, manpower and domestic commercial market of chemicals.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149 of the Act.

All the Independent Directors have got themselves registered with the Independent Director's Database of the Indian Institute of Corporate Affairs (IICA).

Shri Shalil Shashikumar Shroff and Capt Surjit Singh Chopra , are related to each other as Son in law and Father in law. No other Director is related.

REPORT ON CORPORATE GOVERNANCE

Chief Executive Officer (CEO)

Shri Vinod Kumar Gupta has joined the Company as CEO of the Company w.e.f. February 8, 2021. He is Bachelor of Technology in Chemical Engineering from Indian Institute of Technology, Bombay and has also done Post Graduate Program in Management for Executives (Full Time, Residential Program) from the Indian Institute of Management, Ahmedabad. He has a vast experience of 29 years with more than 23 years in Operations Management in large Petrochemicals and Oleochemicals sector. He has worked extensively on technology, project management, total quality management and energy management. He has also managed large teams and led innovation/improvement initiatives in productivity, efficiency and capabilities of teams.

He is not a member of the Board. However he has been appointed as the KMP in the Company.

Memberships of other Boards

None of the Directors on the Company's Board is a Director of more than 10 (ten) Companies and Chairman of more than 5 (five) Companies. None of the Directors of the Company is a member of more than 10 Committees across all the Companies and Chairman of 5 committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he/ she is a Director.

All the Directors have made necessary disclosures regarding their positions held by them in other companies and notify the changes as and when it takes place. No Independent Director serves as Independent Director in more than seven listed companies or three listed companies in case he/ she is a Whole-time Director in any listed Company. Independent Directors are expected not to serve on the boards of competing companies.

The composition of the Board is in conformity with the Regulation 17 of the SEBI Listing Regulations.

Criteria for Board Membership

The Board has adopted the Nomination and Remuneration Policy to ensure that the Board is constituted with the requisite skill to provide insights and guidance on the matters relating to the business of the Company. The said Policy outlines the appointment criteria, qualification, and experience required for joining the Board of Directors of PCCPL. The said Policy is available on the Company's website at http://www.punjabchemicals.com/wp-content/uploads/2018/07/Nomination-and-Remuneration-Policy.pdf.

The matter regarding remuneration to the working and whole time Directors is considered by the Nomination and Remuneration Committee and recommended to the Board to seek the approval of the members of the Company. Other Directors are paid sitting fees for attending the Board and Committee meetings. They are entitled to get upto 1% of net profit as commission as provided in the Companies Act after approval of the members and the Board.

Membership Term

As per Companies Act, 2013, as amended and the Articles of Association of the Company, at least two-third of the Board members shall be retiring Directors, excluding Independent Directors and Promoter Director. One-third of such Directors are required to retire every year and if eligible, the retiring Directors can opt for re-appointment. The MD and Director (Operations & Business Development) have been appointed by the shareholders for a period of three years each and can be reappointed on completion of their term, if they are eligible.

Independent Directors shall hold office for up to two terms of five years each.

Succession Policy

The Company has a succession plan for appointment to the Board and senior management. The Nomination and Remuneration Committee ensures orderly / structured succession in appointments to the Board and senior management. The Company strives to maintain an appropriate balance of skills, experience and continuity in the Board.

The **Succession Policy** is placed on the website of the Company at https://www.punjabchemicals.com/wp-content/uploads/2020/07/Succession-Policy.pdf.

Board of Directors

The Composition and Category of Directors, their attendance at the Board Meetings and the last Annual General Meeting (AGM) held during the year 2020-2021 and the number of Directorships and Committee Chairmanships/ Memberships held

REPORT ON CORPORATE GOVERNANCE

by them in other Public Limited Companies as on March 31, 2021 are as follows:

Name of the Director	Category	Attendance Particulars		No. of other Director-ships*	Membership of other Boards**	Committee Membership***		No. of shares held as on March 31,2021
		Board Meetings	Last AGM held on 25th September, 2020			Member	Chairman	
Shri Mukesh Dahyabhai Patel Chairman (DIN:00009605)	Independent/ Non-Executive	8	Yes	2	i. Shilchar Technologies Limited -(Independent Director) ii. Banco Products (India) Ltd. – (Independent Director)	1	3	400
Shri Shalil Shashikumar Shroff Managing Director (DIN:00015621)	Promoter Executive	9	Yes	-	-	-	-	230581
Capt. Surjit Singh Chopra (Retd.) (DIN:00146490)	Non-Independent/ Non-Executive	9	Yes	-	-	-	-	Nil
Shri Vijay Dilbagh Rai (DIN:00075837)	Independent/ Non-Executive	9	Yes	3	-	1	1	Nil
Smt. Aruna R. Bhinge (DIN:07474950)	Independent Woman Director/ Non-Executive	7	Yes	3	i. Laurus Labs Limited -Independent Director. ii. Mahindra EPC Irrigation Ltd. -Independent Director	3	-	Nil
Shri Sheo Prasad Singh (DIN:06493455)	Independent/ Non-Executive	9	Yes	-	-	-	-	Nil
Shri Shivshankar Shripal Tiwari (DIN:00019058)	Non-Independent/ Non Executive	9	Yes	-	-	-	-	11589
Shri Avtar Singh Whole Time Director (DIN:00063569)	Non-Independent/ Executive	8	Yes	1	-	1	-	7011

* Excludes Directorship in PCCPL, alternate Directorships and Directorships in Private Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956).

** Represents Directorships in listed Companies and category of directorship other than PCCPL.

*** Represents Chairmanships / Memberships of Audit and Stakeholders Relationship Committees in listed / unlisted public limited companies (excluding PCCPL).

Notes:

(a) The Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company except as mentioned in Note no. 44 of the Standalone and Consolidated Financial Statements.

(b) None of the Directors have received any loans and advances from the Company during the year.

(c) The Managing Director and the Whole Time Director are paid remuneration as approved by the members of the Company within the overall ceiling prescribed under the Companies Act, 2013. Other Non-Executive Directors are paid sitting fees for attending the Board and Committee Meetings in addition to the Commission in case of sufficient net profit calculated as per the provisions of the Companies Act, 2013.

REPORT ON CORPORATE GOVERNANCE

Board Independence

Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, Independent Directors including the Chairman are independent in terms of Listing Regulations, 2015.

Independent Directors Role

As trustees of shareholders, Independent Directors play a pivotal role in upholding corporate governance norms and ensuring fairness in decision making. Being experts in various fields, they also bring independent judgement on matters of strategy, risk management, controls and business performance. The Directors' Report contains the disclosures regarding fulfilment of the requisite independence criteria by Company's Independent Directors.

Terms and conditions of appointment of Independent Directors

The Independent Directors of the Company have been appointed as per the provisions of the Act and Listing Regulations. At the time of appointment of a new Independent Director, a formal letter of appointment is given to the Director, inter alia, explaining the role, duties and responsibilities of the Director. The Director is also explained in detail the compliances required from him / her under the Act, SEBI Listing Regulations and other relevant regulations and his / her affirmation is taken with respect to the same. Formal letters of appointment have been issued to them and have been disclosed on the website of the Company on the weblink: http://www.punjabchemicals.com/correspondence-with-directors/.

All the Independent Directors of the Company have got themselves registered with Directors database with the Indian Institute of Corporate Affairs.

Familiarisation Programme

Pursuant to the provisions of the Act and Regulation 25 (7) of the Listing Regulations, the Company has, during the year, conducted familiarisation programmes for its Independent Directors and other Directors. Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, among others, and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel, Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on Material Events, Policy on Material Subsidiaries, Whistle Blower Policy, Risk Management Policy, Policy on Prevention of Sexual Harassment and Corporate Social Responsibility policy.

The Statutory Auditors, Internal Auditors and Company Secretary of the Company make presentations to the Board of Directors with regard to regulatory changes from time to time while approving the financial results.

The details of familiarisation programmes are available on the website of the Company www.punjabchemicals.com under the head "Investors - Company Policies".

Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of the management, was held on March 24, 2021 as required under Schedule IV of the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations.

At the Meeting, the Independent Directors:

a) Reviewed the performance of Non-Independent Directors and the Board as a whole;

b) Reviewed the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors; and

c) Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors attended the said Meeting through Video Conferencing.

Confirmation from the Board

The Board of Directors be and hereby confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified by SEBI Listing Regulations and they are independent of the management.

No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the Financial Year ended March 31st, 2021.

REPORT ON CORPORATE GOVERNANCE

Appointment/ Re-appointment of Directors

As required under Regulation 36 (3) of the Listing Regulations, particulars of the Director seeking re-appointment are given in the Explanatory Statement to the Notice of the AGM.

Board Procedure

The Board Meetings are convened as and when require. In any case the gap between two Board meetings does not exceed 120 days as prescribed under the Companies Act. The Board meetings are properly structured with detailed Agenda and comprehensive information on the matters require discussion, consideration and approval.

The Company Secretary in consultation with the Senior Management prepares the detailed agenda for the meetings.

Agenda papers and Notes on Agenda are circulated to the Directors in advance with material information for meaningful and focused discussion at the meeting. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda which may come up after circulation of agenda papers, are placed before the Board by way of Table Agenda or Chairman's Agenda. The relevant and required papers not circulated with the Agenda are placed at the table of the meeting.

Minimum 4 (four) Board meetings are required to be held every year. If required, more Board meetings are also convened by giving appropriate notice to address the specific requirement of the working.

Video/tele conferencing facilities are also provided to the Directors to participate in meetings, whenever required. In case of urgent business, if the need arises, the Board's/Committee's approval is taken by passing resolutions through circulation or by calling Board/Committee meetings at short notice, as permitted by law.

Nine Board Meetings were held during the year under review and the gap between the two meetings did not exceed 120 days. The said meetings were held on April 15 2020, June 29 2020, August 12 2020, September 17 2020, November 9 2020, January 8 2021, January 28 2021, March 12 2021 and March 24 2021. The necessary quorum was present for all the meetings.

Detailed presentations are made at the Board /Committee meetings covering finance and operations of the Company, global business environment, all business areas of the Company including business opportunities, business strategy and the risk management practices before taking on record the quarterly / half yearly / annual financial results of the Company.

The required information as enumerated in Part A of Schedule II to SEBI Listing Regulations is made available to the Board of Directors for discussion and consideration at every Board Meetings. The Board periodically reviews compliance reports of all laws applicable to the Company as required under Regulation 17(3) of the SEBI Listing Regulations.

The important decisions taken at the Board / Committee meetings are communicated to departments concerned promptly. Action taken report on the decisions taken at the meeting(s) is placed at the immediately succeeding meeting of the Board / Committee for noting by the Board/ Committee.

The Managing Director is overall responsible for implementing corporate strategy, planning, external contacts and apprising the Board on various matters. He is assisted by the Chief Executive Officer and one Whole Time Director. The Department Heads are responsible for the day to day operations-related issues, profitability, productivity, recruitment and employee related matters. The Audit Committee and the Board specifically reviews the internal financial control systems, financial reporting, approval of quarterly / annual results, major accounting provisions and write-offs / write backs etc. The Internal Auditors and the Statutory Auditor give their presentations on the important matters concerning the Company.

The minutes of the meetings of the Audit and other Committees of the Board are also being noted and considered by the Board of Directors.

COMMITTEES OF THE BOARD

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of the diverse matters. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles. The Board supervises the execution of responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review.

3. AUDIT COMMITTEE

Terms of Reference:

The Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's internal controls, monitor and provide an

REPORT ON CORPORATE GOVERNANCE

effective supervision of the Management's financial reporting process. It has to ensure accuracy, timely disclosure of all financial results.

The terms of reference of the Audit Committee are as per the Listing Regulations and the Act. The broad terms of reference of Audit Committee as adopted by the Board are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of the Auditors.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements and Auditor's report thereon before submission to the Board for approval, with particular reference to:
    a) Matters required to be included in the Director's Responsibility Statement to be included in the Directors' Report in terms of Section 134 (3) (C) of the Act;
    b) Changes, if any, in accounting policies and practices and reasons for the same
    c) Major accounting entries involving estimates based on the exercise of judgment by management;
    d) Significant adjustments made in the financial statements arising out of audit findings;
    e) Compliance with listing and other legal requirements relating to financial statements;
    f) Disclosure of any related party transactions;
    g) Modified opinion (s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (Public Issue, Rights Issue, Preferential Issue, among others), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of Inter-Corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of Internal Financial Controls and Risk Management Systems.
12. Reviewing, with the management, performance of the Statutory and Internal Auditors and the adequacy of the Internal Control Systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with Internal Auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
18. To review the functioning of the Whistle Blower Mechanism of the Company and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.
19. Approval of appointment of CFO after assessing the qualifications, experience and background, among others of the candidate.

REPORT ON CORPORATE GOVERNANCE

20. To grant Omnibus approval for Related Party Transactions which are in the ordinary course of business and on an arms' length pricing basis and to review and approve such transactions subject to the approval of the Board.
21. Provide guidance to the Compliance Officer for setting forth policies and implementation of the revised Code of Conduct for Prevention of Insider Trading.
22. Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/ or other Committees of Directors.

The Audit Committee has been granted powers as prescribed under Regulation 18 (2) (c) of the Listing Regulations.

Composition and attendance at the Meetings:

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee comprises of four Non-Executive Independent Directors including the Chairman who are well-versed with financial matters and corporate laws. The Audit Committee met seven (7) times during the financial year ended March 31 2021 on – April 15 2020, June 29 2020, August 12 2020, September 17 2020, November 9 2020, January 28 2021 and March 24 2021.

The necessary quorum was present in all the meetings. The Chairman of the Audit Committee, Shri Vijay Dilbagh Rai was present in the last Annual General Meeting of the Company held on September 25, 2020 by way of VC / OAVM. The maximum gap between any two (2) Audit Committee Meetings was less than 120 days.

The composition of the Committee and the details of meetings held and attended by the Directors during the financial year 2020-2021 are as under:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Shri Vijay Dilbagh Rai	Non-Executive / Independent	Chairman	7	7
2.	Shri Mukesh Dahyabhai Patel	Non-Executive / Independent	Member	7	7
3.	Smt. Aruna R. Bhinge	Non-Executive /Independent	Member	7	7
4.	Shri Sheo Prasad Singh	Non-Executive / Independent	Member	7	7

Shri Punit K Abrol, Sr. V.P. (Finance) & Company Secretary of the Company acts as the Secretary to the Audit Committee is in conformity with Section 177 of the Act and Regulation 18(1) of the Listing Regulation.

The Audit Committee meetings are usually attended by the Managing Director, Director (Operations), CEO, Chief Financial Officer and the Statutory Auditors of the Company, whenever required. The Internal Auditors and Cost Auditors of the Company are also invited to the meetings, as and when required. The Committee also invites such of the executives, as it considers appropriate to seek any clarification.

During the year, the Committee reviewed the key audit findings covering operational, financial, compliances, internal financial controls and reporting system. The Chairman of the Audit Committee briefs the Board about the significant discussions at the Audit Committee meetings. The minutes of each of the Audit Committee meeting are placed before the Directors in the next meeting of the Board.

4. NOMINATION AND REMUNERATION COMMITTEE

Terms of reference:

In terms of Section 178 (1) of the Act and SEBI Listing Regulations, the Company has constituted a Nomination and Remuneration Committee. The broad terms of reference of Nomination and Remuneration Committee as adopted by the Board are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other senior employees.

REPORT ON CORPORATE GOVERNANCE

2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying qualified candidates for Directorship, who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. 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.

Composition and Attendance at the meetings:

The Board has constituted a Nomination and Remuneration Committee with four Non-Executive Independent Directors. The Company has complied with the requirement of Regulation 19 of Listing Regulation and Section 178 (1) of the Act with respect to the composition of the Nomination and Remuneration Committee. Shri Vijay Dilbagh Rai, Chairman of the Nomination and Remuneration Committee was present at the last AGM held on September 25, 2020 by way of VC / OAVM. The Committee met four (4) times during the financial year ended March 31, 2021 on April 15 2020, June 29 2020, November 9 2020 and January 28 2021.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2020-2021:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Shri Vijay Dilbagh Rai	Non-Executive / Independent	Chairman	4	4
2.	Shri Mukesh Dahyabhai Patel	Non-Executive / Independent	Member	4	4
3.	Smt. Aruna R. Bhinge	Non-Executive /Independent	Member	4	4
4.	Shri Sheo Prasad Singh	Non-Executive / Independent	Member	4	4

Shri Punit K Abrol, Sr. V.P. (Finance) & Company Secretary of the Company acts as the Secretary of the Committee.

The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

The Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013, has been published on the Company website at https://www.punjabchemicals.com/Company-Policies.

Performance Evaluation and Criteria for Evaluation:

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual Directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance of the board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, among others.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, among others.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of Independent Directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, among others.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

REPORT ON CORPORATE GOVERNANCE

5. REMUNERATION OF DIRECTORS

The Board on the recommendation of the Nomination and Remuneration Committee, has framed and adopted the policy for selection and appointment of Directors, senior management and their remuneration. The policy lays down criteria for selection of Directors and senior management based on expertise, experience and integrity of the person. It also weighs the independent nature, personal and professional standing for the diversity in the Board composition.

Remuneration to the Managing Director/Whole Time Director

The Board / Nomination and Remuneration Committee is authorised to decide the remuneration of the Managing Director and Whole Time Directors, subject to the approval of the members and any other approval, if required. The remuneration structure comprises of salary, commission, perquisites and allowances as per applicable law / rules.

Annual increments are decided by the Board on the recommendation of the Nomination and Remuneration Committee on the basis of their contribution to the growth and financial position of the Company. The industrial trend and inflation is also considered.

During the year under review, the remuneration to both the Whole Time Directors was paid in accordance with the provisions of the Companies Act, 2013 and as approved by the Shareholders.

Remuneration to Non-Executive Directors

Non-Executive Directors are paid sitting fees of Rs. 15000/- for each meeting of the Board or its committees attended by them except the meeting held on April 15, 2020, for which the Directors were paid 50% of the Sitting fees amount on account of COVID 19 as an austerity measure. However, the full payment of the sitting fees was restored from the meeting held on June 29, 2020. They are also eligible for commission in case of sufficient and adequate Net Profit available. The commission payable to each Non-Executive Director is determined by the Board, based on the norms and role and contributions of each Director. The commission is distributed in such manner as determined and decided by the Chairman of the Company and approved by the Board of Directors of the Company. The Company can pay remuneration by way of commission not exceeding 1% of the net profit to all the Non-Executive Directors. The commission for the financial year ended March 31, 2021 will be paid to Non-Executive / Independent Directors, subject to deduction of tax, after obtaining approval from the members at the ensuing Annual General Meeting and adoption of financial statements by the Members.

The Company has not granted any stock options to the Directors.

Details of Remuneration paid to Directors:

The Directors' remuneration and sitting fees paid in respect of the Financial Year 2020-2021 are given below:

(Amount in Rs.)

Name of Director	Sitting fees for Board / Other Committees Meetings	Salaries and other perquisites benefits	Other Commission	Total
Mukesh Dahyabhai Patel	3,67,500	Nil	Nil	3,67,500
Shalil Shashikumar Shroff Managing Director	Nil	1,62,31,809	70,00,000	2,32,31,809
Vijay Dilbagh Rai	3,52,500	Nil	Nil	3,52,500
Capt. Surjit Singh Chopra (Retd.)	1,42,500	Nil	Nil	1,42,500
Aruna Rajendra Bhinge	2,77,500	Nil	Nil	2,77,500
Sheo Prasad Singh	2,92,500	Nil	Nil	2,92,500
Shivshankar Shripal Tiwari	1,42,500	Nil	Nil	1,42,500
Avtar Singh, Whole Time Director	Nil	1,29,90,525	35,00,000	1,64,90,525
TOTAL	**15,75,000**	**2,92,22,334**	**1,05,00,000**	**4,12,97,334**

Notes:

a. There are no stock options, fixed component and performance linked incentives along-with the performance criteria to the Directors.

REPORT ON CORPORATE GOVERNANCE

b. The commission of Rs. 45 lakh has been approved for the Non Executive Directors for the financial year 2020-2021. The same shall be distributed among them after approval of the members and adoption of financial results in the ensuing Annual General Meeting.

c. The Board has recommended / approved Commission of Rs. 105 lakh to Executive Directors (Shri Shalil Shashikumar Shroff Rs. 70 Lakh and Shri Avtar Singh Rs. 35 Lakh) for the year 2020-2021 to be paid/ distributed in the current financial year, which has been included in the remuneration of both the Directors.

Service Contracts, Severance fees and notice period for the Whole Time Directors

Particulars	Shri Shalil Shroff Managing Director	Shri Avtar Singh Whole Time Director
Period of contract	3 years from 15.01.2021 to 14.01.2024	3 years from 14.11.2020 to 13.11.2023
Severance fees/ notice period	The contract may be terminated by either party by giving the other party ninety days' notice in writing or such shorter notice as may be mutually agreed between MD/ WTD and the Company.	

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference:

The Stakeholders Relationship Committee ('SRC') ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances for the benefit of shareholders. The redressal of shareholders'/investors' complaints/ grievances pertains to share transfers/transmission, non-receipts of annual reports, non-receipt of declared dividend and other allied complaints is also reviewed by the committee. The working of the Registrar and Share Transfer Agents of the Company providing various investor services are also monitored ,and if require suggest the measures for improvement.

The terms of reference of the SRC includes:

- Review statutory compliance relating to all shareholders.
- Consider and resolve the grievances of shareholders of the Company, including complaints related to transfer / transmission of securities, non receipt of annual report/ declared dividends/notices/ balance sheet, issue of new/duplicate certificates, general Meetings, among others.
- Review measures taken for effective exercise of voting rights by shareholders
- Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund
- Oversee compliances in respect of transfer of shares to the Investor Education and Protection Fund, in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder, as applicable from time to time
- Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company
- Oversee and review all matters related to the transfer of securities of the Company
- Approve issue of duplicate certificates of the Company
- Review movements in shareholding and ownership structures of the Company
- Ensure setting of proper controls, review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agents and oversee performance of the Registrar and Share Transfer Agents
- Recommend measures for overall improvement of the quality of investor services.

Composition and Attendance at the meetings:

The Stakeholders Relationship Committee of the Company is comprising of four Directors. The Chairman of the Committee is a Non-Executive Independent Director of the Company. During the financial year 2020-2021, four (4) meetings of the Committee were held on the following dates:

June 29, 2020, August 12, 2020, November 9, 2020 and January 28, 2021.

The composition of the Committee and detail of meetings attended by the Directors during the financial year 2020-2021:

REPORT ON CORPORATE GOVERNANCE

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Shri Mukesh Dahyabhai Patel	Non-Executive / Independent	Chairman	4	4
2.	Shri Shalil Shashikumar Shroff	Executive / Non Independent	Member	4	4
3.	Shri Vijay Dilbagh Rai	Non-Executive / Independent	Member	4	4
4.	Shri Avtar Singh	Executive / Non Independent	Member	4	4

Name, designation and address of Compliance Officer

Punit K Abrol
Sr. V P (Finance) & Company Secretary
Punjab Chemicals and Crop Protection Limited
Registered Office:
Milestone 18, Ambala Kalka Road
Bhankharpur, Derabassi
Dist. S.A.S Nagar, Mohali-140201
Tel: 01762- 280086, 522250
Tel : + 91 22 6665 2700
Email: investorhelp@punjabchemicals.com

During the year, 2020-2021, no complaint was received from investors.

The Board of Directors of the Company have delegated the power to transfer the shares by any one of Shri Shalil Shashikumar Shroff, Managing Director or Shri Avtar Singh, Director (Operations & Business Development) or Shri Punit K Abrol, Sr. V P (Finance) & Company Secretary. During the year 2020-2021, all transactions viz. shares transfers, transmission, split/consolidation, duplicate share certificates, among others were approved by Shri Punit K. Abrol, Sr. V P (Finance) & Company Secretary. The details of all share transfers and other related information is regularly placed before this Committee.

7. OTHER COMMITTEES

a) RISK ASSESSMENT COMMITTEE

Regulation 21 of the Listing Regulations mandates top 1000 listed companies based on the market capitalisation to constitute a Risk Assessment Committee vide SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 dated May 5, 2021. The Company has already constituted a Risk Assessment Committee of the Board.

The Board of Directors have defined the role and responsibility of the Risk Management Committee and have delegated monitoring and reviewing of the risk management plan to the CEO of the Company. Further the Risk Management Committee shall specifically cover cyber security and have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

Evaluation of business risk and managing the risk has always been an ongoing process in the Company. The Risk Assessment Committee assists the Board in fulfilling its corporate governance duties by overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks and is updated about the important points of Risk Assessment procedure & the recommendation to mitigate those risks.

Composition and attendance at the meeting

The Risk Assessment Committee is comprised of four Directors including one Independent Director. During the financial year under review, 1 (one) meeting of the Risk Assessment Committee was held on March 24, 2021.

REPORT ON CORPORATE GOVERNANCE

The composition of the Committee and details of meetings attended by the Directors during the financial year 2020-2021 are:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Shri Shalil Shashikumar Shroff	Executive / Non Independent	Chairman	1	1
2.	Shri Mukesh Dahyabhai Patel	Non-Executive / Independent	Member	1	1
3.	Shri Avtar Singh	Executive / Non Independent	Member	1	1
4.	Shri Shivshankar Shripal Tiwari	Non-Executive/ Non Independent	Member	1	1

b) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The terms of reference of the Committee includes:

a) Formulate, monitor and recommend to the Board, the CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.

b) Recommend to the Board, modifications to the CSR Policy as and when required.

c) Monitoring CSR Policy of the Company from time to time.

d) Recommend to the Board, the amount of expenditure to be incurred on the CSR activities undertaken.

e) Review the performance of the Company in the area of CSR including the evaluation of the impact of the Company's CSR activities.

f) Review the Company's disclosure of CSR matters.

g) Instituting a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.

h) Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the listing regulations and the Companies Act, 2013 or under any applicable laws, as may be prescribed from time to time.

Composition and Attendance at the meeting

The Board of the Company has constituted a Corporate Social Responsibility Committee, comprising of four Directors. During the financial year under review, 1 (one) meeting of the Corporate Social Responsibility Committee was held on June 29 2020.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2020-2021 are:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Shri Mukesh Dahyabhai Patel	Non- Executive / Independent	Chairman	1	1
2.	Shri Shalil Shashikumar Shroff	Executive /Non-Independent	Member	1	1
3.	Capt. Surjit Singh Chopra (Retd.)	Non-Executive / Non Independent	Member	1	1
4.	Smt. Aruna R. Bhinge	Non- Executive /Independent	Member	1	1

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company https://www.punjabchemicals.com/Company-Policies. A Report giving details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities forms a part of the Board's Report.

REPORT ON CORPORATE GOVERNANCE

8. GENERAL BODY MEETINGS

Location and Time of the last three Annual General Meetings and Special Resolutions passed:

YEAR	LOCATION	DAY, DATE AND TIME	SPECIAL RESOLUTIONS
2017-18	Hotel Paras Chandigarh Ambala Highway, Derabassi at 10.00 a.m.	Thursday, September 20, 2018	There was no matter that required passing of Special Resolution.
2018-19	Hotel Blue Sapphire, Ambala Chandigarh Highway, Derabassi at 9.30 a.m.	Tuesday, August 13, 2019	1. To re-appoint Shri Mukesh Dahyabhai Patel (DIN: 00009605) as an Independent Director for the second term. 2. To re-appoint Shri Vijay Dilbagh Rai (DIN: 00075837) as an Independent Director for the second term and continuation of his directorship after attaining the age of 75 years.
2019-20	Registered Office of the Company, Milestone – 18, Ambala Kalka Road, Bhankharpur, Derabassi through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility at 10:00 a.m.	Friday, September 25, 2020	1. Continuation of directorship of Capt S.S. Chopra (Retd.) (DIN:00146490) as a Non Executive Non Independent Director of the Company, who has already attained the age of 75 years. 2. To re-appoint Shri Sheo Prasad Singh (DIN: 06493455) as an Independent Director for the second term.

Postal Ballot:

During the year under review, following two (2) Special Resolutions were passed by the members through Postal Ballot in line with various Circulars issued by the Ministry of Corporate Affairs ("MCA") (hereinafter collectively referred to as "MCA Circulars"), that the resolutions in relation to the following special businesses are proposed to be passed by the Members through Postal Ballot only by voting through electronic means (Remote e-voting). The details are given as follows:

Sr. No.	Date of Result of Postal Ballot	Particulars of Resolution	Type of Resolutions	Details of Voting Pattern	
				Votes cast in favour (No. of shares)	Votes cast against (No. of shares)
1	28th December, 2020	Re-appointment of Shri Avtar Singh (DIN: 00063569) as the Whole Time Director of the Company and to fix his remuneration.	Special Resolution	52,08,431 (99.99%)	26 (0.01%)
2	28th December, 2020	Re-appointment of Shri Shalil Shashikumar Shroff (DIN: 00015621) as the Managing Director of the Company and to fix his remuneration.	Special Resolution	52,08,431 (99.99%)	26 (0.01%)

Shri P.S. Dua of M/s P.S. Dua & Associates, Practicing Company Secretary, (Membership No. 4552, COP No. 3934) Ludhiana, was the Scrutiniser to conduct the Postal Ballot through remote e-voting process in a fair and transparent manner and to compile the results of the voting on these resolutions.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a Special Resolution through Postal Ballot.

Procedure followed for postal ballot-

The Company followed the procedure as prescribed under Section 110 and other applicable provisions of the Companies Act, 2013 (the "Act"), read with the Companies (Management and Administration) Rules, 2014 (Rules), including any statutory modification(s) or re-enactment (s) thereof, for the time being in

REPORT ON CORPORATE GOVERNANCE

force, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and all other applicable laws and regulations read with the various Circulars issued by the Ministry of Corporate Affairs ("MCA") (hereinafter collectively referred to as "MCA Circulars"), and the Secretarial Standard 2 issued by ICSI.

In compliance with the aforesaid MCA Circulars, this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories.

The Postal Ballot Notice was also made available on the Company's website, www.punjabchemicals.com, websites of the Stock Exchanges where the equity shares of the Company are listed i.e. BSE Limited, www.bseindia.com and National Stock Exchange of India Limited, www.nseindia.com and on the website of Central Depository Services (India) Limited viz. https://www.evotingindia.com.

The advertisements was were published about having sent the Postal Ballot Notice by way of email in Hindi, Punjabi (vernacular language) newspapers and one English newspaper.

The Scrutiniser submitted the report as per the Calendar of Events. The Scrutiniser maintained the register, recording the assent or dissent received, mentioning the particulars of name, address, folio no, number of shares, nominal value of shares and record of postal ballot.

The result was declared by placing it on the website of the Company, BSE & NSE and CDSL.

9. MEANS OF COMMUNICATION

a) All price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges, where the securities of the Company are listed. All submissions to the Exchanges are made through the respective electronic filing systems. They are also uploaded on the website of the Company.

b) The Company intimates un-audited quarterly, half-yearly and audited quarterly and annual financial results to the Stock Exchanges immediately after these are approved and taken on record by the Board. These financial results are normally published in the Financial Express (all Edition in English), Jansatta (Chandigarh Edition in Hindi) and Rozana Spokesman (Chandigarh edition in Punjabi).

The quarterly results, Shareholding Pattern, quarterly/half yearly/annual compliances and all other material events or information as detailed in Regulation 30 of the Listing Regulations are filed electronically with National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited through BSE Online portal. These communications are also posted on the Company's website www.punjabchemicals.com.

The Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors / analysts after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website.

c) Management Discussion and Analysis forms part of the Annual Report.

10. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date, Time and Venue :	Thursday, the 12th August, 2021 at 10.30 a.m. (IST) at Derabassi through Video Conferencing pursuant to the Circular No. 20/2020 dated May 05, 2020 followed by Circular no. 02/2021 dated 13th January, 2021 issued by the MCA.
Financial Year :	2020 – 2021
Date of Book Closure :	Thursday, 5th August, 2021 to Thursday, 12th August, 2021 (Both Days Inclusive)
Dividend payment date :	The Dividend, if declared at AGM, will be paid within stipulated time

b) Listing on Stock Exchanges:

1.	BSE Limited (BSE), 1st Floor, New Trading Wing, P.J. Towers, Dalal Street, Fort, Mumbai-400 001.	2.	National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai-400 051.

The Company has paid the Annual Listing fees to the Stock Exchanges.

REPORT ON CORPORATE GOVERNANCE

c) Stock Codes/Symbol (for shares)

BSE Limited (Code): 506618

National Stock Exchange of India Ltd. (symbol): PUNJABCHEM

De-mat ISIN Number in NSDL & CDSL: INE277B01014

d) Volume of Shares traded during F.Y. 2020-2021:

On BSE: 600105

On NSE: 2461000

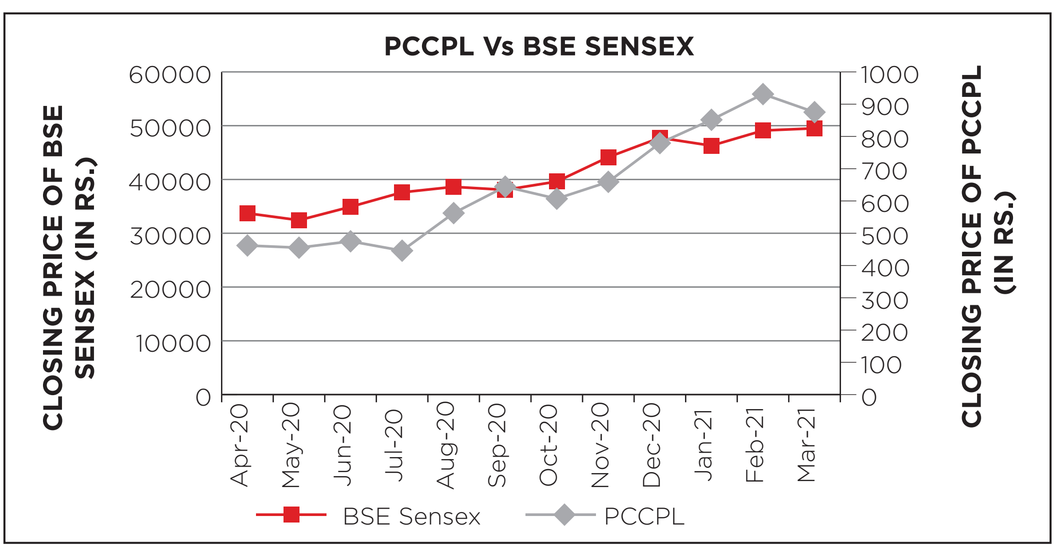
e) Market Price Data

Market price data-monthly high/ low of BSE/ NSE depicting liquidity of the Company's Equity Shares on the said exchanges is given hereunder:

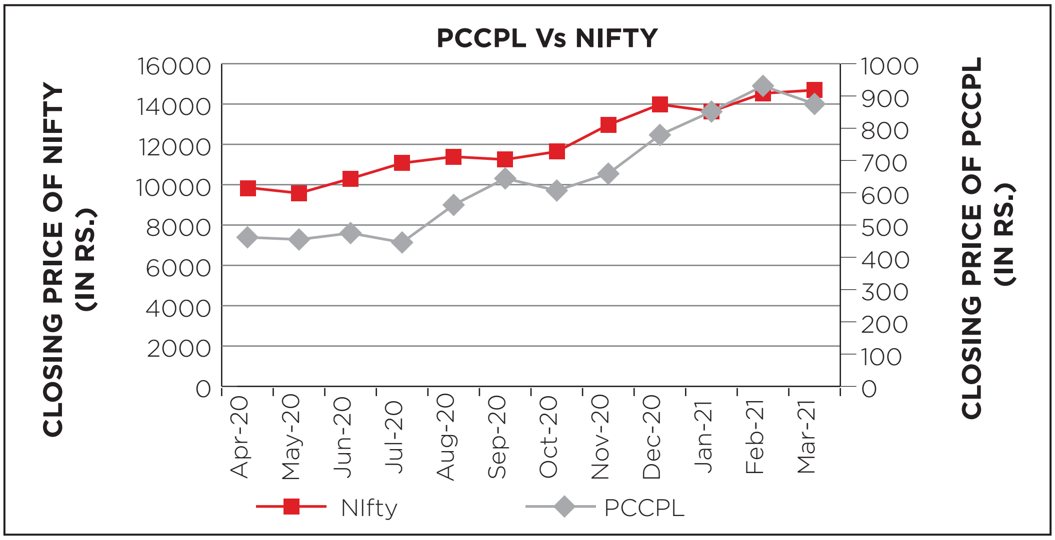
Month	BSE (in Rs.)		NSE (in Rs.)	
	High	Low	High	Low
April, 2020	495	321	491.95	300
May, 2020	490	408.15	504	411.35
June, 2020	520	420.25	523.95	420.15
July, 2020	533	429	498.80	437.20
August, 2020	648.80	421.70	648	420
September, 2020	661	536	661.95	538
October, 2020	668	602	669	602.45
November, 2020	682.95	591.10	680	587.55
December, 2020	834.35	672.95	838.50	669.95
January, 2021	864	750.50	864.80	741.25
February, 2021	990.45	805.10	1000	815.10
March, 2021	1,026.85	855.90	1028.50	851

f) Share Price performance in comparison to broad based indices:

The charts given hereunder plots the movement of the Company's Equity share prices on BSE versus BSE SENSEX and Company's Equity share prices on NSE versus NSE NIFTY, respectively, for the year 2020-2021:



REPORT ON CORPORATE GOVERNANCE



g) Registrar and Share Transfer Agent (RTA)

M/s Alankit Assignments Ltd., 4E/2, Jhandewalan Extension, New Delhi-110055 is the Registrar and Share Transfer Agent (RTA) of the Company.

h) Share Transfer Process

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

The Managing Director, Whole Time Director and Sr. V.P (Finance) & Company Secretary have been severally, empowered to approve transfers which are noted at subsequent Stakeholders Relationship Committee and the Board Meetings.

Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) within the statutory time limit from the date of receipt of Share Certificates provided the documents are complete in all respects.

A summary of transfer / transmission of shares, among others, so approved by the Company Secretary is placed before the Stakeholders Relationship Committee and thereafter in the Board Meeting.

i) Secretarial Audit

a) As per Regulation 40(9) of the Listing Regulations, a Certificate from the Practicing Company Secretary has been submitted to the Stock Exchanges within the stipulated time on half yearly basis confirming due compliance of share transfer formalities by the Company.

b) Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

REPORT ON CORPORATE GOVERNANCE

c) Shri P. S. Dua of M/s. P. S. Dua & Associates, Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2020-2021. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under, its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Listing Regulations. The Secretarial Audit Report forms part of the Board's Report.

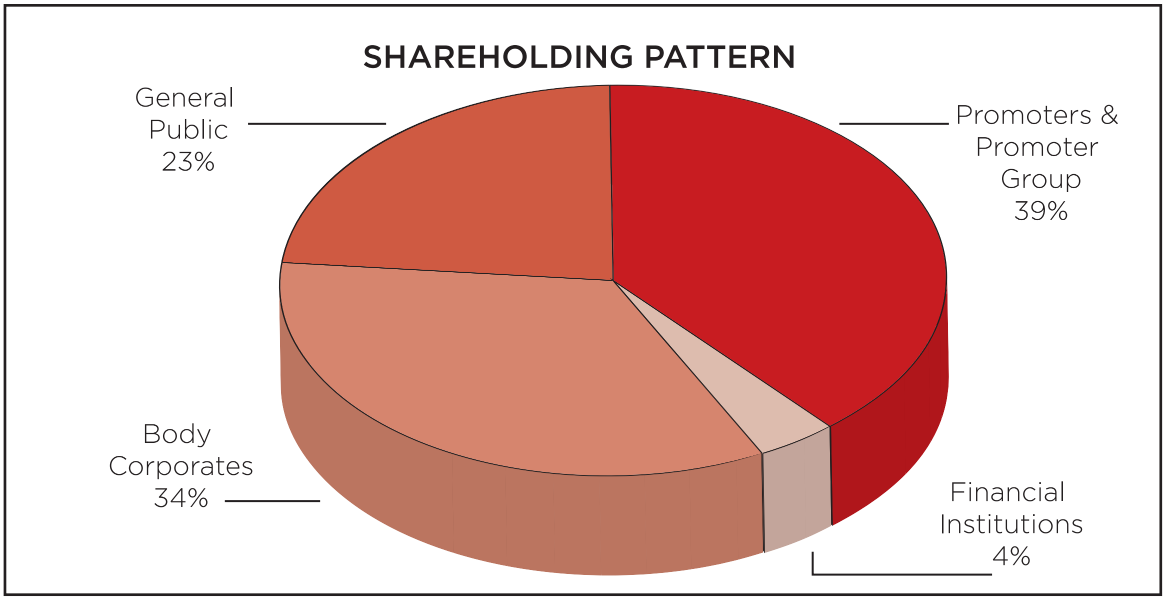
j) Distribution of Shareholding as on March 31, 2021:

FROM - TO	NO. OF SHAREHOLDERS		NO. OF SHARES	
Number of Shares	**Number**	**%**	**Number**	**%**
1 - 500	13798	95.48	560140	4.57
501 - 1000	299	2.07	228190	1.86
1001 - 2000	145	1.00	210041	1.71
2001 - 3000	50	0.35	128452	1.05
3001 - 4000	32	0.22	112488	0.92
4001 - 5000	19	0.13	88119	0.72
5001 - 10000	50	0.35	384311	3.13
10001 & above	58	0.40	10550444	86.04
TOTAL	**14451**	**100.00**	**12262185**	**100.00**

k) Categories of Shareholders as on March 31, 2021

Sr. No.	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING (%)
A.	**Shareholding of Promoter and Promoter Group**		
1)	Indian	48,08,890	39.22
2)	Foreign	-	-
	Total Shareholding of Promoter and Promoter Group	**48,08,890**	**39.22**
B.	Public Shareholding		
1)	**Institution:**		
a)	Mutual Funds	786	0.01
b)	Financial Institutions/Banks	1,029	0.01
c)	Central Govt. / State Govt . Co.	1,22,027	1.00
d)	Foreign Portfolio Investors	3,60,985	2.94
	Sub total (B) (1)	**4,84,827**	**3.95**
2)	Non-Institutions		
a)	Private Corporate Bodies	41,10,562	33.52
b)	Directors & their Relatives	51,293	0.42
c)	Indian Public	23,96,619	19.54
d)	NRIs	69,302	0.57
e)	Trust	23,700	0.19
f)	HUF	2,03,925	1.66
g)	IEPF	1,07,580	0.88
h)	Clearing member	5487	0.04
	Sub Total (B) (2)	**69,68,468**	**56.83**
	Total Public Shareholding (B)(1)+(B)(2)	**74,53,295**	**60.78**
	TOTAL	**1,22,62,185**	**100.00**

REPORT ON CORPORATE GOVERNANCE



l) Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories viz. NSDL and CDSL.

Percentage of shares held in:

Physical form	:	0.94%
Electronic form with NSDL	:	85.75%
Electronic form with CDSL	:	13.31%

The Company's shares are regularly traded on the BSE and NSE.

m) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any other convertible instruments, conversion dates and likely impact on equity

None

n) Commodity price risk or foreign exchange risk and hedging activities

The export of finished goods is much higher than the import of Raw material and other material. Therefore, there is a natural hedge available to the Company.

The Company has not entered into any hedging activities and not dealt in commodity price or foreign exchange risk activities during the financial year 2020-2021.

o) Plant locations

Indian manufacturing locations:	
Agro Chemicals Division :	Milestone-18, Ambala Kalka Road, P. O. Bhankharpur Derabassi, Distt. SAS Nagar, Mohali (Punjab) - 140201
Specialty and Other Chemicals Division :	Villages: Kolimajra & Samalheri, P.O.: Lalru, Distt. SAS Nagar, Mohali (Punjab) - 140501
Industrial Chemical Division :	Site No. I & II, H.A. Ltd., Compound Pimpri, Pune (Maharashtra) - 411019
Overseas Subsidiaries:	SD Agchem (Europe) NV Uitbreidingstraat 84/B3, 2600, Berchem (Antwerp), Belgium

p) Address for Correspondence:

1. Investor Correspondence :

For shares held in physical form	**For shares in Demat form**
Alankit Assignment Ltd, 4E/2, Jhandewalan Extension, New Delhi-110055, Tel: 011-42541234, 011-42541953 Fax: 011-23552001 E-mail: info@alankit.com	To the Depository Participants viz. NSDL and CDSL

REPORT ON CORPORATE GOVERNANCE

q) **The details of credit rating of the Company as at March, 31, 2021 is given below:**

CARE BBB (Triple B; Outlook : Stable)

2. **Any query on Annual Report/other matters relating to the Company**

   Registered Office & Works : Milestone-18, Ambala Kalka Road, Village & Post Office Bhankharpur, Derabassi, Distt. SAS Nagar (Mohali) - 140201
   Tel: 01762-280086/280094,
   Fax : 01762-280070
   E-mail: info@punjabchemicals.com

   Corporate Office :Plot No. 645-46, 5th Floor, Oberoi Chambers II,
   New Link Road, Andheri (W), Mumbai-400 053.
   Ph: 022-26747900 (30 lines),
   Fax:022-26736013, 26736193
   Email:enquiry@punjabchemicals.com

3. **Compliance Officer** : Shri Punit K Abrol, Sr. V.P (Finance) & Secretary

4. **Exclusive e-mail ID for the grievance redressal mechanism**:

   investorhelp@punjabchemicals.com

5. **Corporate website**:www.punjabchemicals.com

Nomination Facility:

Members are allowed to nominate any person to whom they desire to have the shares transmitted in the event of death. Desirous Members may approach to the Company or to the Registrar & Share Transfer Agents of the Company, for the shares held in physical form and to the respective Depository Participant for shares held in demat form, for availing the same facility.

11. OTHER DISCLOSURES

a) **Related Party Disclosures:**

All related party transactions that were entered into during the financial year 2020-2021 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant related party transactions made by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. Suitable disclosure as required by the Accounting Standards (IND AS 24) has been made in the Financial Statements. As required under SEBI Listing Regulations, detailed related party disclosures as per Accounting Standards, please refer Note 44 of the Standalone and Consolidated Financial Statements.

The policy on related party transactions as approved by the Board is uploaded on the Company's website www.punjabchemicals.com/Investors/Company Policies.

b) **Statutory Compliance, Strictures and Penalties**

The Company has complied with the requirement of the Stock Exchanges, SEBI and other statutory authority on matters related to capital markets during the last three years. No strictures or penalties have been imposed on the Company by these authorities in the past three years.

However the Company and both the Whole Time Directors have settled the alleged violation of the certain regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with SEBI by paying settlement charges of Rs. 21.67 Lakh and Rs. 14.45 Lakh each respectively. SEBI has thereafter settled the matter vide its order passed on March 25, 2021.

c) **Vigil Mechanism / Whistle Blower Policy:**

The Company has adopted a Whistle blower policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Conduct or Ethics policy. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee.

The said policy is placed on the website of the Company www.punjabchemicals.com and no personnel of the Company have been denied access to the Audit Committee.

d) **IND-AS**

The Company adopted Indian Accounting Standards (Ind-AS) from 01 April, 2017 with the transition date of 01 April 2016 and accordingly the financial results of the Company for all the quarters / annual have been prepared in accordance with the recognition and

REPORT ON CORPORATE GOVERNANCE

measurement principles laid down in the Indian Accounting Standard (Ind-AS).

e) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

Not Applicable

f) A Certificate from a Company Secretary in Practice 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 Board / Ministry of Corporate Affairs or any such statutory authority.

The Company has taken required certificate from M/s. P.S. Dua & Associates, Company Secretary in Practice.

g) Total fees for all services paid by the listed entity and its subsidiaries, to the Statutory Auditor (Standalone payment)

The detail of payment of total fees to the Statutory Auditor is as under:

Amount in Lakh

Statutory Audit	16
Limited Review	9
Others	-
TOTAL	**25**

h) Policy on Prevention of Sexual Harassment at Workplace

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its employees and also to avoid conflicts and disruptions in the work environment due to such cases. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment Act, 2013.

The Company has a 'Policy for prevention of Sexual Harassment' for PCCPL and its subsidiary companies. As per the Sexual Harassment Act, the policy mandates strict confidentiality and recognises the right of privacy of every individual. As per the policy, any employee may report a complaint to the 'Internal Complaints Committee' formed for this purpose. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy. During the year, no complaint pertaining to sexual harassment was received by the Company.

i) The policy for determining 'material' subsidiaries can be viewed at www.punjabchemicals.com.

j) Mandatory Requirements

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

k) Non Mandatory requirements

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

i. Chairman of the Board: The Chairman of the Company is a Non-Executive Independent Director.

ii. Shareholder Rights: The Company does not send the Half yearly results to the households of the shareholders of the Company. However they are published in English newspapers circulated all over India and in a Hindi and Punjabi newspaper (circulated in Punjab and Chandigarh) and are also posted on the website of the Company www.punjabchemicals.com.

iii. Qualified Opinion: Not Applicable.

iv. Reporting of Internal Auditors: The Internal Auditor reports to the Managing Director and also has the direct access to the Chairman, Audit Committee.

REPORT ON CORPORATE GOVERNANCE

12. MARKET CAPITALISATION AND PRICE-EARNINGS RATIO:

		As on March 31, 2021	As on March 31, 2020
a.	Closing Price (BSE) (Rs.)	875.25	301.55
b.	Market Capitalisation (Rs. in crore)	1073.25	369.77
c.	Price-Earnings Ratio	21.23	23.43

(EPS=15.64)

13. UNCLAIMED SHARES:

Pursuant to Regulation 39(4) read with Schedule VI of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense accounts:

Sr. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the beginning of the year as on 01.04.2020.	232	11064
(ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	0	0
(iii)	Number of shareholders to whom shares were transferred from Suspense Account during the year.	0	0
(iv)	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year as on 31.03.2021.	232	11064

The voting right on these outstanding shares (lying in the suspense account) shall remain frozen till the rightful owner of such shares claim the shares.

14. CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of the Listing Regulations, the Certificate duly signed by Shri Shalil Shashikumar Shroff, Managing Director, Shri Vinod Kumar Gupta, CEO and Dr (HC) Sriram Swaminathan Chief Financial Officer was placed before the Board of Directors along with the financial statements for the year ended March 31, 2021 at its meeting held on May 27 2021, forms part of this report.

15. GENERAL

The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) of the Listing Regulations.

DECLARATION

As provided under Clause D of schedule V pursuant to Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management laid down by the Company for the financial year ended March 31, 2021.

On behalf of the Board of Directors
Punjab Chemicals & Crop Protection Limited

Shalil Shashikumar Shroff
(Managing Director)
(DIN No.: 00015621)

Mumbai
Date: May 27, 2021

REPORT ON CORPORATE GOVERNANCE

COMPLIANCE CERTIFICATE

Pursuant to Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Shalil Shashikumar Shroff, Managing Director, Vinod Kumar Gupta, Chief Executive Officer and Dr (HC) Sriram Swaminathan, Chief Financial Officer do hereby certify that in respect of the annual accounts and cash flow statement for the financial year ending on March 31, 2021:

a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee that:

   i) There has not been any significant changes in internal control over financial reporting during the year under reference;

   ii) There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) There has not been any instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting during the year.

Shalil Shashikumar Shroff **Managing Director** **(DIN No.: 00015621)** **Mumbai**	**Vinod Kumar Gupta** **Chief Executive Officer** **Mumbai**	**Dr (HC) Sriram Swaminathan** **Chief Financial Officer** **Mumbai**

Date: May 27, 2021

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

TO

THE MEMBERS OF PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

(CIN: L24231PB1975PLC047063)

We have examined the compliance of conditions of Corporate Governance by Punjab Chemicals and Crop Protection Limited (CIN: L24231PB1975PLC047063) ("the Company") for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and Para C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended March 31, 2021.

We further state that this compliance 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 P.S. Dua & Associates
Company Secretaries

Sd/-
P.S. Dua
FCS No. 4552
C.P. No. 3934
UDIN: F004552C000380675

Place : Ludhiana
Date : May 27 2021

REPORT ON CORPORATE GOVERNANCE

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

THE MEMBERS OF PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Punjab Chemicals and Crop Protection Limited having CIN L24231PB1975PLC047063 and having registered office at Milestone 18, Ambala Kalka Road, Bhankharpur, Derabassi, Dist. S.A.S Nagar, Mohali-140201 (hereinafter 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our 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 me/us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Shri Mukesh Dahyabhai Patel	00009605	19-02-1985
2.	Shri Shalil Shashikumar Shroff	00015621	15-01-1998
3.	Capt. Surjit Singh Chopra (Retd.)	00146490	18-08-2004
4.	Shri Vijay Dilbagh Rai	00075837	28-02-1985
5.	Smt. Aruna Rajendra Bhinge	07474950	29-05-2018
6.	Shri Sheo Prasad Singh	06493455	28-05-2015
7.	Shri Avtar Singh	00063569	14-11-1996
8.	Shri Shivshankar Shripal Tiwari	00019058	28-05-2015**

** Shri Shivshankar Shripal Tiwari ceased to be the Whole-Time Director of the Company w.e.f 28-05-2015 and was appointed as an Additional Director on the same date i.e. 28-05-2015 by the Board of Directors and was regularized as Director in the 39th Annual General Meeting of the Company held on 11-09-2015.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of 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 P.S. Dua & Associates
Company Secretaries

Sd/-
P.S. Dua
CP No.: 3934
UDIN: F004552C000380752

Place: Ludhiana
Date: May 27 2021

MANAGEMENT DISCUSSION AND ANALYSIS

The global growth forecast is still uncertain due to factors that are difficult to predict, including the pathway of the pandemic, the intensity and efficacy of containment efforts, supply disruptions, the repercussions of the dramatic tightening in global financial market conditions and shift in spending patterns.

GLOBAL ECONOMIC OVERVIEW

Power of science, ingenuity of scientific community and best of global cooperation is at display in fighting Covid-19 pandemic. Thanks to one of the fastest discovery and approval of vaccines, world population is getting vaccinated at a very fast pace. Despite reduced mobility, economies continue to adapt to new ways of working, leading to a stronger-than-anticipated rebound across regions.

The global growth forecast is still uncertain due to factors that are difficult to predict, including the pathway of the pandemic, the intensity and efficacy of containment efforts, supply disruptions, the repercussions of the dramatic tightening in global financial market conditions and shift in spending patterns. The IMF also highlights that the strength of the recovery projected may vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spill overs, and structural characteristics entering the crisis.

Even while growing vaccine coverage lifts sentiment, differential recovery across geographies may give rise to divergent policy stances, particularly if advanced economies benefit sooner than others from wide vaccine coverage. Future developments will depend on effectiveness of policy actions to limit persistent economic scarring; the evolution of financial conditions and commodity prices; and the adjustment capacity of the economy. Moreover, strong cooperation is needed to resolve economic issues underlying trade and technology tensions, as well as gaps in the rules-based multilateral trading system.

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMIC OVERVIEW

CY2020 saw unprecedented disruptions to lives and livelihood across the country due to extreme measures taken to limit spread of the pandemic and caused a detrimental impact on the economy. The pandemic induced challenges into industries and businesses and the economic activities had to shift into low gear, if not standstill. Although recovery is now underway, a strong second wave and fear of more such waves looms large in India and some of the ASEAN economies.

Furthermore, output may also remain below pre-pandemic levels through the medium term, while returning to full capacity might take longer than anticipated. Given second wave and staggered lockdowns in recent months, IMF's growth projection for India is likely to get revised once again to be more conservative. The government is also planning to take several bold makeovers through measures such as supply chain reforms for agriculture, rational tax systems, growth oriented policies and a stable Financial System. The Union Budget FY2022 was designed to focus on being socially inclusive and growth-augmenting. Higher Government spending, focus on infrastructure and policies announced in this budget are expected to help sustain corporate recovery and improve longer-term prospects.

RESPONSE TO THE PANDEMIC IN INDIA

After strict lockdown of last year, response to second wave has been more calibrated to avoid severe disruption to economic activities. India began administration of COVID-19 vaccines on 16 January 2021. The first phase rollout involved health and frontline workers followed by residents over 60 years of age and further followed by age category of above 45 years. As of 30 April 2021, India has administered 15.5 crore doses overall, including first and second dose of the currently-approved vaccines. Vaccination drive is expected to pick up pace in coming months with Government of India announcing a detailed road map to cover entire population under vaccination program.

INDIAN AGROCHEMICALS INDUSTRY OVERVIEW

The United Nations General Assembly declared year 2020 as - 'International Year of Plant Health', understanding the important role played by crop protection chemicals in achieving global food, nutrition, health, wealth and environmental security.

The agrochemicals industry has been evolving over the past many decades with new active ingredients, product innovation, clearer regulatory regime, and improving product efficacy. Considering the global population growth, the future of agrochemicals looks bright. The need for crop protection and increase yields is growing along with rising consumer demand for sustainably produced food. Agrochemicals are also playing a role in tackling climate change through reducing the need to convert forests to farmlands, and thereby reducing potential greenhouse gas (GHG) emissions.

India is the fourth-largest producer of agrochemicals in the world. The Indian agrochemicals industry is valued at around INR 42,000 crore out of which domestic consumption is worth around INR 20,000 crore, while exports during the same period are worth around INR 22,000 crore. The Indian agrochemicals market is expected to register an 8% CAGR to reach INR 27,000 crore by FY22 and INR 34,300 crore by FY2025.

STRENGTH & OPPORTUNITY

The chemical industry has played a pivotal role in shaping up the Indian economy and providing livelihood opportunities to more than two million individuals. The Indian government recognises chemical industry as a key growth element and forecast to increase share of the chemical sector to ~25% of the GDP in the manufacturing sector by 2025. Over the past year, following were key notable developments in the industry:

- In January 2020, exports of organic and inorganic chemicals grew 2.55 % YoY.
- Under the Union Budget 2021-22, the government allocated Rs. 233.14 crore (US$ 32.2 million) to the Department of Chemicals and Petrochemicals
- 100% FDI is allowed in the chemical sector under automatic route with exception to few hazardous chemicals
- The agrochemicals industry has been buoyant led by normal monsoons and remunerative prices, all of which has resulted in an acceleration in agricultural activities
- In October 2020, the government urged players in the agrochemicals industry to come out with new molecules of global standards for the farmers' benefit, while CropLife India, the industry body, pitched for stable policies and regulatory regimes to boost growth in the sector.
- In November 2020, Indian companies started witnessing interest from strategic investors led by Japan, Korea and Thailand, as they seek to diversify supply chains from China.

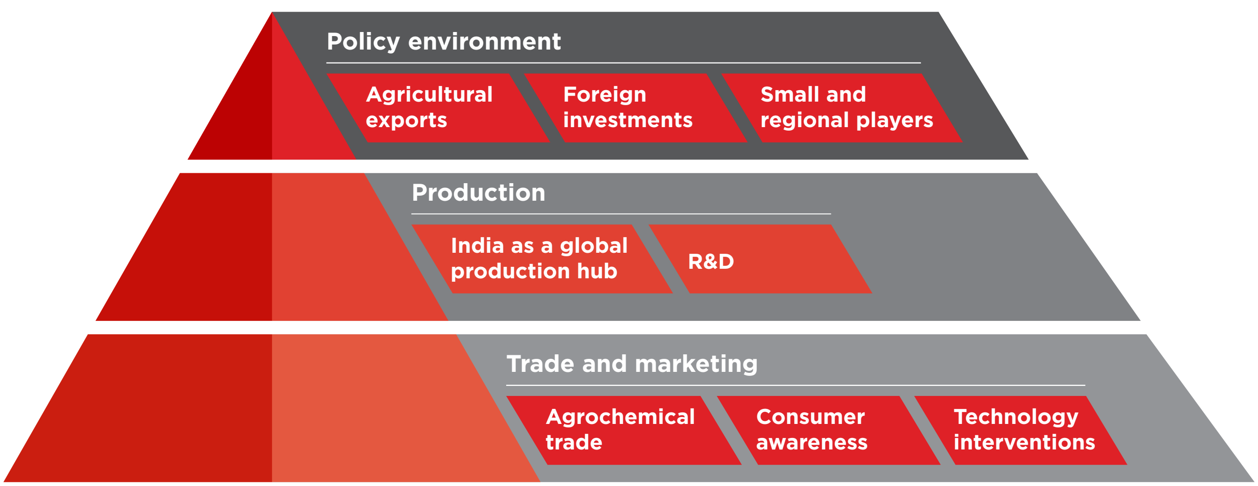
At present, a significant percentage of India's agrochemicals are met by imports. This gap often creates sizeable opportunities to support

MANAGEMENT DISCUSSION AND ANALYSIS

the development of large-scale capacities and infrastructure for manufacturing various products. A major emerging trend for the industry is India placing itself as the go-to substitute for China. The key reasons being:

- The US-China trade tension has created an uncertain environment for manufacturing in China
- Anti-pollution measures in China will also create opportunities for the Indian agrochemical industry in specific segments.
- The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.
- The Government may encourage R&D activities through developing public-private partnership (PPP) models, sourcing superior manufacturing technologies and molecules from leading global players and countries or improving the public sector research
- Large local marketplace and superior manufacturing skills across the value chain will develop and grow the domestic market
- India can position itself as a global agrochemical production hub amidst this volatility

Growth drivers for the Indian agrochemicals industry



MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY OVERVIEW

Established in 1975, Punjab Chemicals and Crop Protection Limited (PCCPL) is today a fast growing listed agrochemicals company, with a synergistic portfolio of Specialty Chemicals. Going forward, the Company has the vision to become a major Indian player in the fast-growing CRAMs segment, and be a preferred partner for manufacturing performance chemicals. The Company has already started the contract manufacturing of some key technical products for various multinationals, both Indian and foreign.

Today, Punjab Chemicals has strong R&D capabilities and a comprehensive product portfolio that enjoy a high level of trust from our institutional customers. - All products are manufactured employing International Standards for safety, quality and timely delivery.

The plants of the Company are located at Derabassi, Lalru and Pune. All three plant are ISO 9001:2015 certified, whereas Derabassi and Lalru plant are ISO 14001:2015 certified and Pune plant is FSSI certified.

Punjab Chemical's Promoters and the Management have rich experience in the agrochemical business, playing a key role in developing the business. The Company's apt domain knowledge and experience gives a substantial competitive advantage for expanding its business in existing markets and entering new geographies. The Company's business and operations are led by qualified, experienced, and capable management team. Punjab Chemical's ability to attract and retain the key management personnel and the in-house team propels it to streamline the registration process, thus optimizing registration costs and the time involved.

OPERATIONAL OVERVIEW

Over the last year, the pandemic brought life to a standstill. Heavy losses to mankind and industry were registered worldwide. The business environment changed in a fundamental, irreversible, and rapid manner. Our efforts over the last few years have been focused on building a strong foundation for a resolute business. We are happy to have not only waded through the difficulties created by the pandemic, but also thrived through it and grown stronger.

Agrochemicals fall under essential sectors and is one of the few sectors to have limited impact due to pandemic. Strong foundation laid over last few years benefitted the company and we outperformed market and economy in FY2021. Our strategic initiatives and successful strides in the CRAMS space positioned us to exploit the opportunity. In the year, we generated significant new businesses from clients in Asia Pacific and European regions.

The unit, which suffered due to fire in July 2019 at Derabassi is fully refurbished and reinstated with better safety and productivity. This and better market conditions enabled the Company to take on larger orders from both existing and new clients. The capacity utilisation at our Derabassi plant was 80%; Lalru plants was 73% and Pune plant was more than 95% during FY 2021.

In the CRAMS space, the Company's R&D team is making fresh inroads into product and process research on several new molecules. Company is continuously looking for new molecules to be added to portfolio and is in dialogue with various existing and new customers.

MANAGEMENT DISCUSSION AND ANALYSIS

Our Competitive Strengths

Advantage Punjab Chemicals

Punjab Chemicals has the advantage of being a go to CRAMS provider for both domestic & international agrochemical companies, thus positioned to gain further advantages as the industry expands

Low Cost Operator	Developed an efficient cost competitive process over the last decade and are maximising export potential
Manufacturing and R&D Capability	Availability of technically trained manpower, extra production capacity to fulfil incremental demands
Consistent Track Record	Historical association with Domestic clients helped expand base to become a preferred partner of choice for MNC clients
Changing Industry Dynamics	Global manufacturers are looking to decrease high dependency on China. Poised to benefit from the shift in supply chain
Way Forward	Clients fund a portion of capex to expand production. Export revenues help smoothen the seasonality in domestic sales

Business Model

Identify Niche Products

- Target ₹ 50-100 cr revenue per product
- Target clients - Global Agrochemical leaders
- Mid-sized companies with specific requirement

Partner for Contract Mfg

- Offer attractive and costeffective solution
- Long term engagement favorable for both parties
- Faster turnaround

Modus Operandi

- Dedicated R&D Team
- Quick implementation of the Capex based on ROI
- Expertise in Scaling up: R&D → Pilot→ Commercial Production

Growth Triggers

- Diversification & expansion into new geographies to expand revenue streams
- Product launches in FY22
- Expanding customer base in CRAMS

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

Business Highlights (Consolidated)

(Rs. in crore)

Particulars	FY2021	FY2020	Growth (%)
Net Sales & Operating Income	678.18	549.56	23.40
Other Income	1.83	13.13	-86.06
Total Income	680.01	562.69	20.85
EBITDA	97.33	55.57	75.15
Depreciation	14.86	15.35	-3.19
PBIT	82.47	40.22	105.05
Interest & other Finance charges	13.46	18.14	-25.80
Profit Before Tax	69.01	22.08	212.55
Tax Expense	19.93	11.33	75.90
Profit after Tax	49.08	10.75	356.56
Cash Profit	63.94	26.10	144.98
Total Income Tax Expenses	1993	1133	1133
Profit / (Loss) after Tax (PAT)	4908	1075	1578
Other Comprehensive income / (expense) for the year (net of tax)	(46)	(164)	(26)
Total comprehensive income for the year	4862	911	1552
Earnings per share (EPS) Basic and diluted (in Rs.)	40.03	8.77	12.87
Reserves (excluding Revaluation reserve)	13227	8549	10224

Ratio Analysis (Consolidated)	2020-21	2019-20	Variance
Debtors Turnover Ratio	10.64	9.96	6.83%
Inventory Turnover	4.31	3.87	11.37%
Interest Coverage Ratio	6.13	2.22	176.13%
Current Ratio	1.09	0.85	28.24%
Debt Equity Ratio	0.61	1.01	-39.60%
Operating Profit Margin (%)	12.13	7.15	69.65%
Net Profit Margin (%)	7.22	1.91	278.01%
Return on Networth	33.96	11.00	208.73%

MANAGEMENT DISCUSSION AND ANALYSIS

KEY RISKS AND CONCERNS

Punjab Chemical continues to mitigate key risks across all levels of operations through structuring and continuously identifying, assessing and deciding on responses.

Changes in government policies

The Company complies with the laws, rules and regulations of multiple countries due to global presence, which might affect the decision-making process. Any modifications in the governmental policies related to agriculture and any adverse alterations in policies relating to the agro-sector — like government's cut-down in agricultural expenditure, contraction of incentives and subsidy systems, new export policy for crops, fluctuation of commodities prices — will impact the Company's business. The stated factors could lower the farmers' ability to obtain a minimum support price for the crop-output which might reduce their ability to spend on agrochemical, thereby impacting the Company's market demand and sales.

Mitigation: The Company's strong diversified product portfolio reduces its reliance on any single country /geography.

Adverse Climate or Weather conditions and reduced pest attacks can lower demand for agrochemicals

The demand for agrochemicals gets adversely impacted by unfavourable climate or weather patterns and pest attacks thereby building-up inventory in the system. The seasonality - of the business, mostly globally and less within India, makes it difficult for an agrochemical player to forecast crop output linking on historic production thereby affecting business operations.

Mitigation: Company has very close interaction with all its' customers and monitor supply –demand and inventories very closely. Diversified product portfolio helps company to minimize impact of any one reason/product on company's performance.

Developing Resistance - Contracting the Product Lifecycle

With the passage of time, the effective life of agrochemicals diminishes as the targeted pests develop resistance. Thus, it becomes necessary to consistently introduce new agrochemicals for successfully eliminating pest attacks.

Mitigation: Punjab Chemical continues to invest in registrations for new products, thereby, enhancing its portfolio in multiple geographies.

Exchange rate fluctuations

Being a global player, the Company has exposure to foreign currency revenue mainly in US Dollars and Euros.

Mitigation: Punjab Chemical is a net foreign exchange earner and its exports act as a natural hedge against imports. Additionally, the Company takes plain vanilla hedge against the orders to reduce its exposure. However, any adverse movement in the foreign exchange rates might impact the results of operation, cash flows, liquidity, and financial condition of the Company

INTERNAL CONTROLS

The internal controls of the Company are being reviewed from the leading and reputed external agency. This results in an unbiased and independent examination of the adequacy and effectiveness of the internal control systems to achieve the objective of the optimal functioning of the Company. The scope of activities includes safeguarding and protecting the Company's assets against unauthorised use or disposition, maintenance of proper accounting records and verification of the authenticity of all transactions.

The Company has an effective compliance management system, which gives preventative warnings in case of any violations. To ensure that it is in conformance with the overall corporate policy and in line with predetermined objectives, the independent Audit Committee and/or the Board of Directors regularly review the performance of the Company. The Company's Internal auditors are B.M. Varma & Company, Chartered Accountants, to provide guidance in smooth functioning of risk management policies, building an organisation wide awareness of risks, across businesses and corporate functions; developing formal reporting and monitoring processes; building risk management maintenance plans that would keep the information updated and refreshed; deploying an ERM framework in key business areas and corporate functions; aligning risk management with the business planning exercise and aligning the role of assurance functions.

MANAGEMENT DISCUSSION AND ANALYSIS

OPPORTUNITIES AND THREATS

Most of the innovator companies are facing challenge of depleting research pipeline and losing patent protection for their blockbuster drugs in the next few years. The new drug discovery process is also becoming more difficult with reducing success probabilities and increasing research and development costs. This has opened opportunities to CRAMS players from low-cost destinations like India. PCCPL has found this opportunity and started working with innovators with customs synthesis projects and contract manufacturing of APIs, which result into overall growth in the turnover. In view of the huge potential the CRAMS segment offers to Indian companies, more companies in India may start exploring opportunities for a share in CRAMS segment. This may result in increased competition in the long run. However, with the research and innovation capabilities that PCCPL has developed over the years, the technical knowledge is unparalleled. The Company believes that it can manufacture various APIs/intermediates and speciality chemicals of best quality at a low cost. Innovator companies are now looking to outsourcing their products to our Company. Recognising this opportunity, the Company continued to take initiatives in reducing its costs by employing lean manufacturing techniques & resource management initiatives and broadening the product base.

INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT

The Company has continued with its drive to institutionalise and upgrade its HR processes. The diversified skill sets of our employees add significant worth to the Company. Every organisation which values and appreciates its Human Resource succeeds in its goals and receives positive results. At PCCPL, we always believe in the concept of human empowerment. We passionately believe that human resource is the most important assets of the organisation, as it influences growth, progress, profits, and shareholders' values. During the year, we continued our efforts aimed at improving the HR policies and processes to enhance our performance. Our mission is to create a value system and behavioural skills to ensure achievement of our short and long-term aims. The Company, as on March 31, 2021, had 1176 employees on its rolls, compared to 1089 employees in the previous year. We continue to attract excellent talent both from within and outside India to further our business interests. Industrial Relations continue to be cordial.

INFORMATION TECHNOLOGY

The Directors are pleased to inform that during the year under review, Company has started moving to next level in Information technology. We have improved on few key processes benefiting business, upgraded its Information Technology Infrastructure, Software, Hardware, Networking & Security.

The goal is to make all business processes as much automated as possible thus increasing the efficiency and accuracy.

Your Company has developed a framework to harness the opportunities presented by prevalence of new-age digital technologies, and transform to become a digitally savvy Agro Chemical company. Various technologies as well as platforms have been piloted to deploy the agenda so that a better and integrated experience can be delivered to our partners and clients

Your company has implemented SAP B1 Hana Ver 10, which is an integrated Enterprise Resource Planning System across all plant and office locations.

Your company has also implemented Software for Thermal & Mask recognition, which is an AI based integrated solution with time attendance, to safeguard the workforce attending factory. Various other steps were also introduced to monitor movement of the employees during COVID period.

CAUTIONARY STATEMENT

Statements made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ 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 government regulations, tax laws and other statutes & other incidental factors.

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of Punjab Chemicals and Crop Protection Limited

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the standalone financial statements of Punjab Chemicals and Crop Protection Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 opinion on the Standalone financial statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

The key audit matter	How the matter was addressed in our audit
The Company recognises revenue from the sales of products when control over goods is transferred to the customer based on the specific terms and conditions of the sale contracts entered into with respective customers. We have identified recognition of revenue as a key audit matter as– • revenue is a key performance indicator; and • there is a presumed fraud risk of revenue being overstated through manipulation of the timing of transfer of control due to pressures to achieve performance targets as well as meeting external expectations.	• We assessed the compliance of the revenue recognition accounting policies against the requirement of Ind AS 115 i.e. Revenue from contracts with customers. • We evaluated the design implementation and operating effectiveness of key financial controls with respect to revenue recognition on selected transactions. • We performed substantive testing by using statistical sampling for revenue transactions recorded during the financial year. Additionally, we tested specific item on manual journals posted to revenue ledger to identify any unusual items. • We selected revenue transactions on a sample basis recorded during specified period around the year end date and checked whether revenue has been recognised in the correct reporting period by examining the underlying documents. • We assessed the adequacy of disclosures in the financial statements against the requirement of Ind AS 115.

INDEPENDENT AUDITORS' REPORT

4. Information Other than the Standalone Financial Statements and Auditors' Report Thereon"

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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.

5. Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and 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 (Ind AS) 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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 with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of

INDEPENDENT AUDITORS' REPORT

accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

7. Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2021 and 01 April 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in

INDEPENDENT AUDITORS' REPORT

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 as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 43(a) to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W / W-100022

Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 21507857AAAAAS5232

Place: Chandigarh
Date: 27 May 2021

INDEPENDENT AUDITORS' REPORT

Annexure A referred to in paragraph 7(I) of the Independent Auditors' Report to the Members of Punjab Chemicals and Crop Protection Limited for the year ended 31 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) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets, were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly adjusted in the books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) According to the information and explanation given to us, the inventories, except goods-in-transit, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies and other parties covered in the register maintained under Section 189 of the Act. Further, there are no limited liability partnerships and firms covered in the register required under section 189 of the Act.

(iv) According to the information and explanations given to us, in respect of loans and investments made by the Company, the provisions of section 185 and 186 of the Act have been complied with. As informed to us, the Company has not provided any guarantee or security as specified under section 185 or 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits covered under section 73 to 76 or other provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Cess and other statutory dues have generally been regularly deposited by the company with the appropriate authorities though there have been few cases of Employees' State Insurance, Income tax, Provident fund, GST and other statutory dues where there have been slight delays. Further, amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Duty of Customs have not been regularly deposited with the appropriate authorities and there have been serious delays.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

(b) According to the information and explanations given to us, there are no dues of Sales tax, Value Added Tax, Income-tax, Service-tax, Duty of Excise and Duty of Customs which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

INDEPENDENT AUDITORS' REPORT

(Rs. in lakhs)

Name of statute	Nature of Dues	Amount disputed #	Amount deposited	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	7,665	-	Assessment Year 2008-2009 to 2009-2010	Dispute Resolution panel*
Income Tax Act, 1961	Income tax	56	53	Assessment Year 2007-2008, 2011-12 to 2015-2016	Commissioner of Income tax (Appeals)
Central Excise Act, 1944	Service tax	1	-	1999-2000	High Court
The Punjab Sales Tax Act, 2005	Sales tax	11	-	2004-2005	High Court
Central Excise Act, 1944	Service tax	0.36	-	2010-2011 2011-2012	SVLDRS Committee

#Amounts as per demand order including interest and penalty, whichever indicated in the order

*The Company has also filed an appeal with Income Tax Appellate Tribunal (ITAT) subsequent to the Balance Sheet date.

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers or to any financial institutions. The Company did not have any loans or borrowings from government and did not issue any debentures during the year nor has any outstanding debentures as at the balance sheet date.

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loans taken during the year have been applied for the purposes for which they were obtained. As informed to us, the Company has not raised any other moneys by way of initial public offer or further public offer (including debt instruments).

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provision of section 197 read with Schedule V of the Act.

(xii) 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 on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable Ind AS .

(xiv) According to the information and explanations give 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, paragraph 3(xiv) of the order is not applicable.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W / W-100022

Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 21507857AAAAAS5232

Place: Chandigarh
Date: 27 May 2021

INDEPENDENT AUDITORS' REPORT

Annexure B to the Independent Auditors' report on the standalone financial statements of Punjab Chemicals and Crop Protection Limited for the year ended 31 March 2021.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 7(II)(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Punjab Chemicals and Crop Protection Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone 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 issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 standalone 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 controls with reference to standalone financial statements were established and maintained and whether 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone 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

INDEPENDENT AUDITORS' REPORT

company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W / W-100022

Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 21507857AAAAAS5232

Place: Chandigarh
Date: 27 May 2021

BALANCE SHEET as at 31 March 2021

(All amounts in Indian Rupees Lakhs except for share data)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	18,231	15,865
Right of use assets	4	526	667
Capital work-in-progress	3	1,496	1,428
Investment property	5	-	-
Other intangible assets	6	132	230
Intangible assets under development	6	54	68
Financial assets			
- Investments	7	128	118
- Trade receivables	8	-	-
- Loans	9	278	280
- Other financial assets	10	22	37
Deferred tax assets (net)	11	-	153
Income tax assets (net)	12	649	649
Other non-current assets	13	308	317
Total non-current assets		**21,824**	**19,812**
Current assets			
Inventories	14	10,130	8,648
Financial assets			
- Trade receivables	8	7,980	4,766
- Cash and cash equivalents	15	1,140	262
- Bank balances other than above	16	285	162
- Loans	9	2,164	2,186
- Other financial assets	10	1,766	3,987
Other current assets	17	1,735	1,256
Total current assets		**25,200**	**21,267**
Assets classified as held for sale	18	-	265
Total Assets		**47,024**	**41,344**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	1,226	1,226
Other equity	20	15,151	10,224
Total equity		**16,377**	**11,450**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	21	6,951	4,005
- Other financial liabilities	22	-	531
Provisions	23	1,557	2,324
Deferred tax liabilities	11	306	-
Other non-current liabilities	24	492	28
Total non-current liabilities		**9,306**	**6,888**
Current liabilities			
Financial liabilities			
- Borrowings	21	545	4,805
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	25	721	386
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	25	10,547	8,491
- Other financial liabilities	22	4,495	6,644
Other current liabilities	26	3,276	764
Provisions	23	600	879
Current tax liabilities (net)	27	1,157	1,037
Total current liabilities		**21,341**	**23,006**
Total liabilities		**30,647**	**29,894**
Total equity and liabilities		**47,024**	**41,344**
Significant accounting policies	2		
Notes to the standalone financial statements	3-48		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Gaurav Mahajan
Partner
Membership No. : 507857

Place: Chandigarh
Date: 27 May 2021

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place : Baroda

Shalil Shroff
Managing Director
DIN: 00015621
Place : Mumbai

Avtar Singh
Director (Operations & Business Development)
DIN: 00063569
Place: Derabassi

Vinod Kumar Gupta
Chief Executive officer
Place: Mumbai
Date: 27 May 2021

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi

Dr Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

STATEMENT OF PROFIT AND LOSS
for the year ended 31 March 2021

(All amounts in Indian Rupees Lakhs except for share data)

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
INCOME			
Revenue from operations	28	67,641	54,750
Other income	29	95	1,924
Total income		**67,736**	**56,674**
EXPENSES			
Cost of materials consumed	30	39,525	31,993
Purchases of stock-in-trade	31	445	445
Changes in inventories of finished goods, stock-in- trade and work-in progress	32	538	77
Employee benefits expense	33	6,768	6,870
Finance costs	34	1,232	1,794
Depreciation and amortization expense	35	1,486	1,535
Other expenses	36	10,931	11,249
Total expenses		**60,925**	**53,963**
Profit before tax and exceptional item		**6,811**	**2,711**
Exceptional items			
- Loss on fire (net of insurance claim)	37	-	-
Profit before tax		**6,811**	**2,711**
Tax expense	38		
Current tax		1,315	1,238
Deferred tax charge/ (credit)		442	(105)
Total tax expense		**1,757**	**1,133**
Profit for the year		**5,054**	**1,578**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		65	(26)
- Equity investments through other comprehensive income- net change in fair value		10	(9)
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		(16)	7
- Equity investments through other comprehensive income- net change in fair value		(2)	2
Other comprehensive income / (loss) for the year (net of tax)		**57**	**(26)**
Total comprehensive income for the year		**5,111**	**1,552**
Earnings per equity share [nominal value of Rs. 10 (previous year Rs. 10)]	39		
Basic (Rs.)		41.22	12.87
Diluted (Rs.)		41.22	12.87
Significant accounting policies	2		
Notes to the standalone financial statements	3-48		
The accompanying notes form an integral part of the standalone financial statements			

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Gaurav Mahajan
Partner
Membership No. : 507857

Place: Chandigarh
Date: 27 May 2021

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place : Baroda

Shalil Shroff
Managing Director
DIN: 00015621
Place : Mumbai

Avtar Singh
Director (Operations & Business Development)
DIN: 00063569
Place: Derabassi

Vinod Kumar Gupta
Chief Executive officer
Place: Mumbai
Date: 27 May 2021

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi

Dr Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

STATEMENT OF CASH FLOW
for the year ended 31 March 2021

(All amounts in Indian Rupees Lakhs except for share data)

		Year ended 31 March 2021	Year ended 31 March 2020
A.	**Cash flow from operating activities**		
	Profit before tax	**6,811**	**2,711**
	Adjustments for:		
	Depreciation and amortization expense	1,486	1,535
	Liability no longer required written back	(6)	(39)
	Reversal of impairment loss on doubtful advances	(28)	(619)
	Interest income	(32)	(39)
	Amortization of government grants	(2)	(2)
	Finance cost	1,232	1,794
	Unrealised foreign exchange loss / (gain) net	46	(173)
	Advances written off	1	6
	Property, plant and equipment written off	9	15
	Investment property written off	-	227
	(Gain) on sale of property, plant and equipment (net)	(21)	(6)
	(Gain) on sale of investment property	-	(785)
	Expected credit loss on trade receivable	3	128
	Rental income	(1)	(310)
	Operating cash flow before working capital changes	**9,498**	**4,443**
	Changes in working capital:		
	(Increase) / decrease in trade receivables	(3,231)	1,445
	(Increase) in inventories	(1,482)	(585)
	(Increase) in other current and non-current assets	(479)	(147)
	Decrease / (increase) in current and non-current other financial assets	220	(534)
	Decrease in current and non-current loans	2	97
	Increase / (decrease) in trade payables and other liabilities	5,393	(2,300)
	(Decrease) / increase in other current financial liabilities	(2,724)	919
	(Decrease) / increase in long-term and short-term provisions	(981)	337
	Cash generated from operating activities	**6,216**	**3,675**
	Income tax paid (net)	(1,306)	(430)
	Net cash generated from operating activities (A)	**4,910**	**3,245**
B.	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment (including capital advances)	(3,692)	(2,662)
	Proceeds from sale of property, plant and equipment	357	101
	Proceeds from sale of investment property	1,782	519
	Taxes paid on sale of investment property	-	(23)
	Proceeds from insurance claim	221	430
	Movement in other bank balances	(123)	7
	Decrease/ (Increase) in deposits with original maturity of more than 12 months	15	(37)
	Interest received	27	3
	Rental income	1	310
	Net cash flows (used in) investing activities (B)	**(1,412)**	**(1,352)**

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2021

(All amounts in Indian Rupees Lakhs except for share data)

		Year ended 31 March 2021	Year ended 31 March 2020
C.	**Cash flow from financing activities**		
	Proceeds from non-current borrowings	4,994	1,588
	Repayments of non-current borrowings	(1,776)	(109)
	Payment of lease liabilities	(87)	(164)
	Repayment / proceeds of current borrowings (net)	(4,259)	(1,245)
	Payment of dividend (including corporate dividend tax)	(184)	(222)
	Finance cost paid	(1,158)	(1,702)
	Net cash flows (used in) financing activities (C)	**(2,470)**	**(1,854)**
	Net increase in cash and cash equivalents (A+B+C)	**1,028**	**39**
	Cash and cash equivalents at the beginning of the year	**112**	**73**
	Cash and cash equivalents at the end of the year	**1,140**	**112**
Notes :			
1.	Cash and cash equivalents include :		
	Balances with banks		
	- In current accounts	1,121	94
	- Deposits with original maturity of less than three months	13	154
	Cash on hand	6	14
	Book overdraft	-	(150)
		1,140	**112**

2. The above cash flow statement has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows". Also, refer to note 2(s).
3. Refer note 21 for reconciliation of movements of liabilities to cash flows arising from financing activities.
4. During the year, the Company paid in cash Rs. 8 (previous year: Rs.7) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 36(b)).

Significant accounting policies

Notes to the standalone financial statements

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Gaurav Mahajan
Partner
Membership No. : 507857

Place: Chandigarh
Date: 27 May 2021

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place : Baroda

Shalil Shroff
Managing Director
DIN: 00015621
Place : Mumbai

Avtar Singh
Director (Operations & Business Development)
DIN: 00063569
Place: Derabassi

Vinod Kumar Gupta
Chief Executive officer
Place: Mumbai
Date: 27 May 2021

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi

Dr Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

(All amounts in Indian Rupees Lakhs except for share data)

a. Equity share capital:

	Note	
Balance as at 1 April 2019	19	1,226
Changes in equity share capital during the year		-
Balance as at 31 March 2020	19	1,226
Changes in equity share capital during the year		-
Balance as at 31 March 2021		1,226

b. Other Equity :

	Reserves and surplus						Other comprehensive income	Total
	Capital reserve	Securities premium	Capital redemption reserve	Capital reduction reserve	Amalgamation reserve	Retained earnings	Equity instruments through other comprehensive income	
Balance as at 1 April 2019	**309**	**5,707**	**28**	**21**	**19**	**2,801**	**9**	**8,894**
Total comprehensive income for the year ended 31 March 2020								
- Profit for the year	-	-	-	-	-	1,578	-	1,578
- Dividend						(184)		(184)
- Corporate dividend tax						(38)		(38)
- Other comprehensive (expense) (net of tax)	-	-	-	-	-	(19)	(7)	(26)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,337**	**(7)**	**1,330**
Balance as at 31 March 2020	**309**	**5,707**	**28**	**21**	**19**	**4,138**	**2**	**10,224**
Total comprehensive income for the year ended 31 March 2021								
- Profit for the year	-	-	-	-	-	5,054	-	5,054
- Dividend	-	-	-	-	-	(184)	-	(184)
- Corporate dividend tax	-	-	-	-	-	-	-	-
- Other comprehensive income (net of tax)	-	-	-	-	-	49	8	57
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**4,919**	**8**	**4,927**
Balance as at 31 March 2021	**309**	**5,707**	**28**	**21**	**19**	**9,057**	**10**	**15,151**

Note : Refer to note 20 for nature and purpose of other equity

Significant accounting policies	2
Notes to the standalone financial statements	3-48

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Gaurav Mahajan
Partner
Membership No. : 507857

Place: Chandigarh
Date: 27 May 2021

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place : Baroda

Shalil Shroff
Managing Director
DIN: 00015621
Place : Mumbai

Avtar Singh
Director (Operations & Business Development)
DIN: 00063569
Place: Derabassi

Vinod Kumar Gupta
Chief Executive officer
Place: Mumbai
Date: 27 May 2021

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi

Dr Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Note 1. Corporate Information

Punjab Chemicals and Crop Protection Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Milestone 18, Ambala Kalka Road, Village & P.O. Bhankharpur, Derabassi, Distt. SAS Nagar, Mohali (Punjab)- 140201.

The Company is engaged in business of manufacturing of agro chemicals, speciality chemicals and bulk drugs and its intermediates.

Note 2. Significant accounting policies

(a) Basis of preparation

(i) Statement of compliance

These standalone financial statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013, ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

Effective 01 April 2016, the Company had transitioned to Ind AS while the financial statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Company had elected to certain exemption which are listed as below:

a. The Company had opted to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognized in the financial statements prepared under previous GAAP and use the same as deemed cost in the financial statement as at the transition date.

b. The Company had opted to carry the assessment whether a contract or arrangement contains a lease on the basis of and circumstances existing at the date of transition except where the effect is not expected to be material. In accordance with Ind AS 17, this assessment should be carried out (at the inception of the contract or arrangement).

c. The Company had opted to measure its investment in SD Agchem (Europe), subsidiary of the Company, at its fair value on transition date which will be regarded as it's deemed cost at the transition date.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months. The standalone financial statements for the year ended 31 March 2021 were approved for issue by the Company's Board of Directors on 27 May 2021.

(ii) Functional and presentation currency

The functional currency of the Company is the Indian rupee. These standalone financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(iii) Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefits (assets)/liability	Fair value of the plan assets less present value of defined benefits obligations

(iv) Use of estimates and judgments

The preparation of standalone financial statements in conformity with I n d A S requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements is included in the following notes:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

- Note 2(c) and 3 – Assessment of useful life and residual value of Property, plant and equipment
- Note 2(d) and 4 – Lease Classification and assessment of lease term, useful life of right-to-use asset, discount rate
- Note 2(f) and 6 – Assessment of useful life of Intangible assets
- Note 2(n), 2(o), 23 and 43 – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2(m), 11 and 38 – Recognition and estimation of tax expense including deferred tax; recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used, future recoverability been probable;
- Note 2(l) and 42 – Measurement of defined benefit obligations: key actuarial assumptions
- Note 2(i) – Impairment of financial assets; impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 2(h) – Valuation of inventories

(v) Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in the note 40(a).

(b) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVPL)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Investments in subsidiaries

Equity investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c) Property, plant and equipment ('PPE')

Recognition and measurement

Items of PPE are stated at cost, which includes capitalized finance costs, less accumulated depreciation and or accumulated impairment loss, if any.

Cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes after deducting any trade discounts and rebates and any directly attributable cost of bringing the asset to its working condition for its intended use.

The cost of a self-constructed item of PPE comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Advances paid towards acquisition of PPE outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work- in-progress.

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with the notification dated 29 August 2014 of the Ministry of Corporate Affairs except for certain classes of PPE which are depreciated based on the internal technical assessment of the management. The estimated useful lives of items of PPE for the current and comparative periods are as follows:

Particulars	Useful life as per Schedule II	Management estimate of useful life
Building - Factory	30 Years	5 - 28 Years
Building - Office	60 Years	5 - 50 Years
Plant and equipment	3 - 15 Years	5 - 20 Years
Electrical installations	10 Years	20 Years
Vehicles	8 Years	8 Years
Furniture and fittings	10 Years	10 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Derecognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

(d) Leases

The Company has applied Ind AS 116 w.e.f. 01 April 2019 using the modified retrospective approach. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases in which the Company is a lessee

The Company's lease asset classes primarily consist of leases for buildings and leasehold land. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. Modified retrospective approach has been applied to contracts existing and entered on or after 1 April 2019 and accordingly there has been no adjustment in the opening balance of retained earnings as on 1 April 2019.

The Company elected to use the following practical expedients on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. 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.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Company recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently remeasured by increasing

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Company recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

Leases in which the Company is a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

Amendments to Ind AS 116

On 24 July 2020, Ministry of Corporate Affairs notified amendments to Ind AS 116 – Leases, introducing an optional practical expedient for leases in which the Company is a lessee wherein the Company is not required to assess whether eligible rent concessions, to payments originally due on or before 30 June 2021, which are direct consequences of the COVID-19 pandemic are lease modifications. The Company has elected to apply the practical expedient consistently to lease contracts.

(e) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

advice, the Company depreciates investment property on a straight-line basis using the best estimate of the period over which investment property is expected to be used. The useful life estimate is different from the indicative useful life mentioned in Part C of Schedule II to the Act.

The estimated useful lives of items of investment property for the current and comparative periods are as follows:

Particulars	Useful life as per Schedule II	Management estimate of useful life
Building - Factory	30 Years	5 - 28 Years
Plant and equipment	3 - 15 Years	5 - 20 Years

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

(f) Other Intangible assets

Internally generated intangible assets

Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
- Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Acquired Intangible

Intangible assets that are acquired (including implementation of software system) are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non- refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Advances paid towards acquisition of intangible assets outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in Statement of Profit and Loss.

The estimated useful lives are as follows:

- Computer software 3 Years
- Product registrations (including task charges, task force studies and other related expenses) 10 Years
- Technical know-how 5 Years

Derecognition

Intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(g) Non-current assets held for sale

Non-current assets, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment, and investment property and intangible assets are no longer amortised or depreciated.

(h) Inventories

Inventories are valued at lower of cost or net realisable value. The methods of determining cost of various categories of inventories are as follows:

Raw materials (except goods in transit)	Weighted average method
Finished goods	Weighted average method
Packing material	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in- progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The Company reviews the condition of its inventories and makes provision against obsolete and slow moving inventory items which are identified as no longer suitable for sale or use.

The comparison of cost and net realisable value is made on an item-by-item basis.

(i) Impairment

Impairment of financial assets

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

  The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

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

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g head office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Revenue from contract with customers

Under Ind AS 115, the company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:
Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

only passage of time is required, as per contractual terms.

Contract liability is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by geography.

Use of significant judgements in revenue recognition:

a) The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

e) Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

f) Contract fulfilment costs are generally expensed as incurred except for certain expenses which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Sale of services

The Company offers services in fixed term contracts and short-term arrangement. Revenue from service is recognized when obligation is performed or services are rendered.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except where the rentals are structured to increase in line with expected general inflation.

Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Export incentives

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Insurance and Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(k) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(l) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Certain employees of the Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. The Company makes contributions to Life Insurance Corporation of India (LIC). Contribution made by the Company to the plan during the year is charged to Statement of Profit and Loss.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC') for certain employees. The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Other long-term employee benefits

Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's obligation in respect of long-term employee benefits other than post-employment

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an actuarial valuation performed annually by a qualified actuary using the projected unit cost credit method.

Termination benefits

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(m) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions or make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability as per the provisions of Income-tax Act,1961.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets, recognized or unrecognized, are reviewed at each reporting date and recognised / reduced to the extent that it has become probable / no longer probable respectively that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

(n) Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(o) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

(p) Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

(q) Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

(r) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(s) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(t) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

(u) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(v) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(w) Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Company is charged to the Statement of the Profit and Loss.

(x) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(y) Recent Indian Accounting Standards (Ind AS)

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The Company is evaluating these amendments on its financial statements and will give effect to the same as required by law.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 3: Property, plant and equipment and capital work-in-progress

Gross carrying amount

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total	Capital work-in-progress
Balance as at 1 April 2019	5,395	3	2,134	9,668	183	986	280	18,649	582
Reclassified on account of adoption of Ind AS 116 (refer note 4)	-	3	-	-	-	-	29	32	-
Adjusted balance as at 1 April 2019	**5,395**	**-**	**2,134**	**9,668**	**183**	**986**	**251**	**18,617**	**582**
Additions	-	-	243	1,433	27	61	87	1,851	3,210
Reclassified from investment property (refer note 5)	-	-	13	191	-	-	-	204	-
Disposals /other adjustments (refer note e below)	-	-	89	536	-	20	-	645	2,364 #
Assets classified as held for sale (refer note 18)	-	-	416	-	-	-	-	416	-
Balance as at 31 March 2020	**5,395**	**-**	**1,885**	**10,756**	**210**	**1,027**	**338**	**19,611**	**1,428**
Balance as at 1 April 2020	**5,395**	**-**	**1,885**	**10,756**	**210**	**1,027**	**338**	**19,611**	**1,428**
Additions	-	-	777	2,497	140	187	57	3,658	3,253
Disposals /other adjustments (refer note e below)	-	-	-	88	-	56	4	148	3,185 #
Balance as at 31 March 2021	5,395	-	2,662	13,165	350	1,158	391	23,121	1,496
Accumulated depreciation									
Balance as at 1 April 2019	-	-	476	2,076	57	241	84	2,934	-
Reclassified on account of adoption of Ind AS 116 (refer note 4)	-	-	-	-	-	-	6	6	
Adjusted balance as at 1 April 2019	**-**	**-**	**476**	**2,076**	**57**	**241**	**78**	**2,928**	
Depreciation for the year	-	-	123	793	28	118	47	1,109	-
Reclassified from investment property (refer note 5)	-	-	11	131	-	-	-	142	
Disposals /other adjustments (refer note e below)	-	-	18	254	-	9	-	281	
Assets classified as held for sale (refer note 18)	-	-	151	-	-	-	-	151	-
Balance as at 31 March 2020	-	-	441	2,746	85	350	125	3,747	
Depreciation for the year	-	-	137	856	34	134	50	1,211	-
Disposals /other adjustments (refer note e below)	-	-	-	34	-	31	3	68	-
Balance as at 31 March 2021	-	-	578	3,568	119	453	172	4,890	-
Carrying amounts (net)									
As at 31 March 2020	**5,395**	**-**	**1,444**	**8,010**	**125**	**677**	**213**	**15,865**	**1,428**
As at 31 March 2021	**5,395**	**-**	**2,084**	**9,597**	**231**	**705**	**219**	**18,231**	**1,496**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Notes:

a. Plant and equipment includes Rs. 44 (previous year: Rs. 44) worth of equipment acquired under United Nations Industrial Development Organization grant scheme.

b. Plant and equipment includes Rs. 24 (previous year: Rs. 21) of capitalization towards research and development.

c. Refer note 21 for information on property, plant and equipment pledged as security by the Company.

d. Refer note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

e. Includes net carrying amount of Rs. Nil (previous year: Rs. 298) pertaining to loss of property, plant and equipment and Rs. Nil (previous year: Rs. 518) pertaining to loss of capital work-in-progress due to fire incident at one section of the Agro Chemicals Division of the Company (also refer note 37).

f. The Company has capitalized the following expenses of revenue nature to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	72	82
Store consumption	739	570
Power and fuel	28	32
Finance costs	151	68
	990	752

Represents capital work in progress capitalized during the current year (other than amount mentioned in note e above) and previous year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 4: Right of use asset

	Leasehold Land	Building	Furniture and fixtures	Total
Balance as at 1 April 2019	-	191	-	191
Reclassified on account of adoption of Ind AS 116 (refer note 3)	3	-	29	32
Additions	-	590	-	590
Deletions	-	-	-	-
Depreciation for the year	-	140	6	146
Balance as at 31 March 2020	**3**	**641**	**23**	**667**
Balance as at 1 April 2020	3	641	23	667
Additions	-	-	-	-
Deletions	-	-	-	-
Depreciation for the year	-	138	3	141
Balance as at 31 March 2021	**3**	**503**	**20**	**526**

Notes:

a. The Company had adopted Ind AS 116 effective 1 April 2019, using the modified retrospective method. The Company had applied the standard to its leases with the cumulative impact recognised on the date of initial application (i.e 1 April 2019).

This has resulted in recognising a right-of-use asset of Rs. 191 and a corresponding lease liability of Rs.191. Further, amounts representing leasehold land and furniture and fixtures, classified as finance lease as per Ind AS 17, have been reclassified from property, plant and equipment to Right-of-Use Assets.

b. The Company also leases certain office premises with contract terms of one year. These leases were short-term in nature and the Company had elected not to recognise right-of-use assets and lease liabilities for those leases. The Company incurred Rs. 21 (previous year Rs. 18) towards expenses relating to short-term leases for which the recognition exemption has been applied.

c. The total cash outflow for leases, including cash outflow for short term and low value leases, is Rs. 108 (previous year Rs. 182).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 5: Investment property

Gross carrying amount

	Leasehold Land	Building	Plant and equipment	Total
Balance as at 1 April 2019	522	1,178	588	2,288
Reclassified to property, plant and equipment (refer note no. 3)	-	13	191	204
Disposals / other adjustments	522	1,165	397	2,084
Balance as at 31 March 2020	**-**	**-**	**-**	**-**
Balance as at 1 April 2020	-	-	-	-
Disposals / other adjustments	-	-	-	-
Balance as at 31 March 2021	**-**	**-**	**-**	**-**
Accumulated depreciation				
Balance as at 1 April 2019	27	61	321	409
Depreciation for the year	9	32	33	74
Reclassified to property, plant and equipment (refer note no. 3)	-	11	131	142
Disposals / other adjustments	36	82	223	341
Balance as at 31 March 2020	**-**	**-**	**-**	**-**
Balance as at 1 April 2020	-	-	-	-
Depreciation for the year	-	-	-	-
Disposals / other adjustments	-	-	-	-
Balance as at 31 March 2021	**-**	**-**	**-**	**-**
Carrying amount (net)				
As at 31 March 2020	**-**	**-**	**-**	**-**
As at 31 March 2021	**-**	**-**	**-**	**-**
Fair value				
As at 31 March 2020				**-**
As at 31 March 2021				**-**

Fair value hierarchy

The fair value of investment property had been determined by external expert, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique

The Company follows discounted cash flows technique. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Investment property comprises of a leasehold land, building and plant and equipment that was leased to a third party. The lease contained an initial non-cancellable period of 3 years with an option of negotiating subsequent renewals with the lessee. No contingent rents are charged. Refer note 29 for further information.

During the previous year, after approval of the Board of Directors, the Company transferred and assigned the leasehold rights in respect of the Industrial Plots together with the Factory building situated at E-51/1, E-51/2 and 52 MIDC, Tarapur, Boisar, Maharashtra to the lessee at the expiry of the lease term. Certain plant and equipment has been transferred from investment property to property, plant and equipment (refer note 3), since the plant and equipment was no longer being leased by the Company and as such it was decided that the plant and equipment would be used in the Agro Division of the Company. Remaining plant and equipment had been written off (refer note 36) since the assets were no longer considered to be in usable condition.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 6: Other intangible assets and intangible assets under development

Gross carrying amount

	Computer Software	Product registrations	Technical know how	Total	Intangible assets under development
Balance as at 1 April 2019	76	711	320	1,107	87
Additions - internally generated	-	-	-	-	31
Additions - acquired	105	-	-	105	50
Disposals	-	-	-	-	-
Balance as at 31 March 2020	**181**	**711**	**320**	**1,212**	**68**
Balance as at 1 April 2020	181	711	320	1,212	68
Additions - internally generated	-		-	-	4
Additions - acquired	-	7	-	7	-
Disposals	-	-	-	-	18 #
Balance as at 31 March 2021	**181**	**718**	**320**	**1,219**	**54**
Accumulated amortisation					
Balance as at 1 April 2019	45	510	190	745	-
Amortisation for the year	43	127	67	237	-
Disposals	-	-	-	-	-
Balance as at 31 March 2020	**88**	**637**	**257**	**982**	**-**
Balance as at 1 April 2020	88	637	257	982	-
Amortisation for the year	44	13	48	105	-
Disposals	-	-	-	-	-
Balance as at 31 March 2021	**132**	**650**	**305**	**1,087**	**-**
Carrying amounts (net)					
As at 31 March 2020	**93**	**74**	**63**	**230**	**68**
As at 31 March 2021	**49**	**68**	**15**	**132**	**54**

Note:

a. As at 31 March 2021, the estimated remaining amortization period for intangible assets are as follows:

	As at 31 March 2021
Computer Software	0.83 to 3 years
Product registrations	1.17 to 10 years
Technical know how	0.08 to 2 years

Represents intangible assets under development capitalized during current year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 7: Investments

	As at 31 March 2021	As at 31 March 2020
Non- current investments		
Investments in equity shares		
Quoted equity shares		
Equity shares (at fair value through other comprehensive income)		
- Bank of Baroda 187 (31 March 2020: 187) equity shares of Rs. 10 each fully paid-up	0.14	0.10
- Canara Bank 63 (31 March 2020: 63) equity shares of INR 10 each fully paid-up	0.10	0.06
	0.24	0.16
Unquoted equity shares		
Subsidiary companies (at cost)		
- SD Agchem (Europe) N.V.# 16,612 (31 March 2020: 16,612) equity shares of Euro 615 each fully paid-up	2,595	2,595
Other Companies (fair value through other comprehensive income)		
- Nimbua Green Field (Punjab) Limited 84,375 (31 March 2020: 84,375) equity shares of INR 10 each fully paid-up	118	108
- Mohali Green Environment Private Limited 100,000 (31 March 2020: 100,000) equity shares of INR 10 each fully paid-up	10	10
- SVC Cooperative Bank Limited 100 equity shares (31 March 2020: Nil) equity shares of INR 25 each fully paid-up	0.03	-
	2,723	**2,713**
Impairment in value of investments		
Subsidiary Companies :		
- SD Agchem (Europe) N.V.# 16,612 (31 March 2020: 16,612) equity shares of Euro 615 each fully paid-up	2,595	2,595
	2,595	**2,595**
Total non-current investments	**128**	**118**
Aggregate book value of quoted investments ^	0.24	0.16
Aggregate market value of quoted investments ^	0.24	0.16
Aggregate value of unquoted investments	2,723	2,713
Aggregate amount of impairment in value of non-current investments	2,595	2,595

\# In respect of overdue export receivables from its wholly owned subsidiary i.e. S D Agchem (Europe) NV, the Company had received approval in earlier years from Reserve Bank of India (RBI) under Regulation 11 of Notification No. of FEMA 120/ RB -2004 and other regulatory authorities towards utilisation of said overdue export receivable into further investment. Accordingly, the overdue export trade receivable from S D Agchem (Europe) NV of Rs. 2,595 had been converted into investment in equity share capital whereby S D Agchem (Europe) NV issued additional 5,789 equity shares at face value of Euro 615 / share.

Further, based on the Regulation 16A and 17 of Foreign Exchange Management (Transfer or Issue of any foreign securities) Regulation, 2004 and RBI/FED/2015-16 FED Master Direction No. 15/2015-16, the Company has written off Rs. Nil (previous year Rs. 956) which represents 25% of the original investment of Rs. 3,825 and has correspondingly written back Rs. Nil (previous year Rs. 956) provision for diminution in the value of Investment resulting in Rs. Nil (previous year: Rs. Nil) impact in the statement of profit and loss account.

^ Value of investment is less than Rs. 1 (previous year: Rs. 1).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 8: Trade receivables

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2021		As at 31 March 2020	
	Non-current	**Current**	**Non-current**	**Current**
Trade receivables	-	8,046	189	5,845
Trade receivables from related party (refer note 44)	-	48	-	42
Less: expected credit loss allowance	-	(114)	(189)	(1,121)
	-	**7,980**	**-**	**4,766**
Break-up of security details				
Trade receivable considered good - Secured	-	-	-	-
Trade receivable considered good - Unsecured	-	7,980	-	4,766
Trade receivable which have significant increase in credit risk	-	-	-	-
Trade receivable - credit impaired	-	114	189	1,121
Total	**-**	**8,094**	**189**	**5,887**
Less: expected credit loss allowance	-	(114)	(189)	(1,121)
Total trade receivables	**-**	**7,980**	**-**	**4,766**

Refer note 40(b) for information about credit risk and market risk of trade receivables.

Refer note 21(C) for hypothecation of current assets against term loan.

Note 9: Loans

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2021		As at 31 March 2020	
	Non-current	**Current**	**Non-current**	**Current**
Security deposit	278	75	280	25
Advances recoverable from related party (refer note 44)				
- considered good	-	1,948	-	2,015
Advances recoverable from others				
- considered good	-	141	-	146
- considered doubtful	16	24	16	24
Less: expected credit loss allowance	(16)	(24)	(16)	(24)
	278	**2,164**	**280**	**2,186**
Break-up of security details				
Loan receivables considered good - Secured	-	-	-	-
Loan receivables considered good - Unsecured	278	2,164	280	2,186
Loan receivables which have significant increase in credit risk	-	-	-	-
Loan receivables - credit impaired	16	24	16	24
Total	**294**	**2,188**	**296**	**2,210**
Less: expected credit loss allowance	(16)	(24)	(16)	(24)
Total Loans	**278**	**2,164**	**280**	**2,186**

Refer note 40(b) for information about credit risk and market risk of loans.

Refer note 21(C) for hypothecation of current assets against term loan.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 10: Other financial assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Deposits with remaining maturity of more than 12 months	22	-	37	-
Interest receivable	-	19	-	14
Export incentive recoverable	-	581	-	946
Insurance claim receivable (refer note 37)	-	460	-	607
Contract assets *	-	398	-	306
Cost of fulfilment of contracts **	-	308	-	319
Receivable towards sale of investment property	-	-	-	1,782
Other receivable	-	-	-	13
	22	**1,766**	**37**	**3,987**

* Refer note 28 for the changes in contract asset.

** Cost of fulfillment of contracts of Rs. Nil (previous year: Rs. Nil) has been amortised in the Statement of Profit and Loss.

Refer note 40(b) for information about credit risk and market risk of other financial assets.

Refer note 21(C) for hypothecation of current assets against term loan.

Note 11: Deferred tax

	As at 31 March 2021	As at 31 March 2020
Deferred tax assets on account of:		
- Expenses allowable on payment basis	451	701
- Expected credit loss allowance	100	400
- Expenses allowed on deferred basis under income tax	6	14
- Lease liabilities	23	8
Deferred tax asset (A)	**580**	**1,123**
Deferred tax liabilities on account of:		
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	886	970
Deferred tax liability (B)	**886**	**970**
Deferred tax (liability) / asset (net) (A - B)	**(306)**	**153**

Movement in temporary differences:

2019-2020	As at 1 April 2019	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2020
- Expenses allowable on payment basis	838	(146)	9	701
- Expected credit loss allowance	727	(327)	-	400
- Expenses allowed on deferred basis under income tax	44	(30)	-	14
- Minimum alternate tax credit entitlement	10	(10)	-	-
- Lease liabilities	-	8	-	8
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(1,580)	610	-	(970)
	39	**106**	**9**	**153**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

2020-2021		As at 1 April 2020	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2021
-	Expenses allowable on payment basis	701	(232)	(18)	451
-	Expected credit loss allowance	400	(300)	-	100
-	Expenses allowed on deferred basis under income tax	14	(8)	-	6
-	Lease liabilities	8	15	-	23
-	Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(970)	84	-	(886)
		153	**(442)**	**(18)**	**(306)**

Note 12: Income tax assets (net)

	As at 31 March 2021	As at 31 March 2020
Advance income-tax and tax deducted at source (net of provision of Rs. 1,456 (31 March 2020: Rs. 1,456)	649	649
	649	**649**

Note 13: Other non-current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Capital advances		
- to others	308	317
	308	**317**

Note 14: Inventories

(At lower of cost and net realizable value)

	Note	As at 31 March 2021	As at 31 March 2020
Raw materials	(a), (b)	6,068	4,108
Work-in-progress	(b)	1,353	2,934
Finished goods	(a)	2,012	926
Stock-in-trade		38	81
Stores and spares		535	488
Packing material		124	111
		10,130	**8,648**
Notes:			
(a) Includes goods-in-transit:			
- raw materials		822	388
- finished goods		419	216
(b) The following amounts were charged to the Statement of Profit and Loss on account of damage due to fire incident at one section of the Agro Chemicals Division of the Company (also refer note 37):			
- raw materials		-	29
- work-in-progress		-	68
(c) Refer note 21(C) for hypothecation of current assets against term loan.			

Strategic Reports Notice Statutory Reports MD&A Financial Statements

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 15: Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- Current accounts	1,121	94
- Fixed deposits with original maturity upto three months	13	154
Cash on hand	6	14
	1,140	**262**

Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of corporate affairs:

The disclosure regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2021.

Refer note 21(C) for hypothecation of current assets against term loan.

Note 16: Bank balances other than above

	As at 31 March 2021	As at 31 March 2020
Deposit accounts with original maturity more than 3 months and upto 12 months from the reporting date #	282	160
Balance in unclaimed dividend accounts	3	2
	285	**162**

These deposits include restricted bank deposits Rs. 156 (31 March 2020: Rs. 160) pledged as margin money.

Note 17: Other current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Recoverable from/ balances with government authorities		
- considered good	1,358	849
- considered doubtful	169	169
Less : provision for doubtful balance recoverable from government authorities	(169)	(169)
Advances for supply of goods	236	252
Prepaid expenses	136	144
Others	5	12
	1,735	**1,256**

Note 18: Assets classified as held for sale

	As at 31 March 2021	As at 31 March 2020
Assets classified as held for sale	-	265
	-	265

In August 2019, management committed to a plan to sell its residential building premises located in Mumbai. Accordingly, in the previous year the asset was classified as "Assets classified as held for sale" in accordance with Ind AS 105. During the year, the assets was sold for Rs. 285 and a gain of Rs. 20 is recognised in the profit and loss account.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 19: Equity Share capital

(i) Details of share capital

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs. 10 each	19,800,000	1,980	19,800,000	1,980
9.8% redeemable cumulative preference shares of Rs. 100 each	20,000	20	20,000	20
	19,820,000	**2,000**	**19,820,000**	**2,000**
Issued Shares				
Equity shares of Rs. 10 each	12,277,218	1,228	12,277,218	1,228
	12,277,218	**1,228**	**12,277,218**	**1,228**
Subscribed and fully paid up				
Equity shares of Rs. 10 each fully paid up	12,262,185	1,226	12,262,185	1,226
	12,262,185	**1,226**	**12,262,185**	**1,226**

(ii) Reconciliation of number of shares outstanding at the beginning and end of the year

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning and at the end of the year	12,262,185	1,226	12,262,185	1,226

(iii) Rights, preference and restriction attached to shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shareholders holding more than 5% shares in the company

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs. 10 each fully paid				
Hem-sil Trading and Manufacturing Private Limited	4,017,318	33%	4,017,318	33%
Gowal Consulting Services Private Limited	3,000,000	24%	3,000,000	24%

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2021

During the five years immediately preceding 31 March 2021, neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 20: Other equity

(i) Capital reserve

Capital reserve represents the forfeited share application money of Rs. 185 received for preferential convertible warrants in 2008-2009 and Rs. 124 received for equity convertible warrant in 2009-2010.

(ii) Securities premium

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilized in accordance with the applicable provisions of the Companies Act, 2013.

(iii) Capital redemption reserve

Capital redemption reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(iv) Capital reduction reserve

Capital reduction reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(v) Amalgamation reserve

Amalgamation reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(vi) Retained earnings

Retained earnings represents the profits that the Company has earned till date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

(vii) Equity instruments through Other Comprehensive Income

The Company has elected to recognize changes in the fair value of certain investments in equity securities of other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The company transfers amounts there from to retained earnings when the relevant equity securities are derecognised.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 21: Borrowings

	Note	As at 31 March 2021	As at 31 March 2020
A. Non-current borrowings			
Secured			
From Banks			
Term loan	(a), (b)	5,957	1,480
			-
From Others			
Vehicle finance scheme	(c)	49	105
Hire Purchase finance scheme	(d)	5	11
Lease liabilities	(e)	650	733
		6,661	**2,329**
Unsecured			
From Others			
Inter-corporate deposits - from related party (refer note 44)	(f)	1,585	2,785
		1,585	**2,785**
Total non current borrowings (including current maturities)		**8,246**	**5,114**
Less : Current maturities of non-current borrowings (refer note 22)*		1,124	927
Less : Current maturities of non-current lease liabilities (refer note 22)*		171	182
		6,951	**4,005**

* Current and non-current classification is based on contractual maturities.

Notes:

(a) Term loan from RBL Bank amounting to Rs. 991 (31 March 2020: Rs. 1,480) carrying interest rate of 11.25% p.a. (31 March 2020: 11.25%) is secured by exclusive charge by way of hypothecation on all current assets of the company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Lalru, Punjab and exclusive charge by way of hypothecation on all movable property, including plant and machinery, situated at Lalru, Punjab. The loan is repayable in 9 equal quarterly installments as per the repayment schedule from March 2021. However, during the year, the Company has availed the moratorium extension announced by Reserve Bank of India. Accordingly, the loan was repayable in 12 equal quarterly installments of Rs. 125 beginning from 30 June 2020.The terms of the loan also contain certain restrictive covenants primarily requiring the Company to maintain certain financial ratios. As at 31 March 2020, a breach in financial covenants associated with the loan occurred. Subsequent to the year ended 31 March 2020, the Company obtained a waiver from Bank for the breach of covenant for a period of 12 months from the reporting date.

(b) Term loan from SVC Co-operative Bank Ltd. amounting to Rs. 4,966 (31 March 2020: Rs. Nil) carrying interest rate of 9.70% p.a. (31 March 2020: Nil) is secured by exclusive charge by way of hypothecation on all movable property including Plant & Machinery situated at Company's unit at Derabassi, Punjab both present and future. It is further secured by way of equitable mortgage on factory land and building situated at Company's unit at Derabassi, Punjab. The loan is repayable in 78 equal monthly installments of Rs. 64.10 from July 2021.

(c) Loan from Indostar Capital Finance Limited under vehicle finance scheme amounting to Rs. 49 (31 March 2020: Rs. 92) carrying interest rate of 11.03% (31 March 2020: 11.03%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in 17 (31 March 2020: 12) equal monthly installments.

- Loan from Mahindra & Mahindra Finance Services Limited under vehicle finance scheme amounting to Nil (31 March 2020: Rs. 13) carrying interest rate of Nil % (31 March 2020: 11.02%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in Nil (31 March 2020: 8) equal monthly installments.

(d) Loan from Hewlett Packard Financial Services (India) Private Limited under hire purchase scheme amounting to Rs. 5 (31 March 2020 : Rs. 11) carrying interest rate of 13.86% (31 March 2020: 13.86%) for purchase of computer hardware. The loan is repayable in Nil (31 March 2020 : 7) equal quarterly instalments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

(e) The Company has entered into agreements for leasing office premises on lease and license basis. The leases typically run for a period of 5 years with no restriction placed upon the Company for entering into said lease. These leases were previously classified as operating leases under Ind AS 17. The Company also leases furnitures and fixtures under a number of leases, which were classified as finance leases under Ind AS 17.

Information about leases for which the Company is a lessee is presented below:

(i) The following are the amounts recognised in statement of profit and loss:

	Year ended 31 March 2021	Year ended 31 March 2020
Interest on lease liabilities	71	39
Expenses relating to short-term leases	21	18
	92	57

(ii) The following is the break-up of current and non-current lease liabilities

	As at 31 March 2021	As at 31 March 2020
Non-current lease liabilities	479	551
Current maturities of lease liabilities (refer note 22)	171	182
	650	**733**

(iii) The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 11.25%

(iv) As at 31 March 2021, the Company has a lease liability balance of Rs. 650 (previous year Rs. 733). During the year the entered into new leases agreement of Rs. 4 (previous year Rs. 646) and re-classified Rs. Nil (previous year Rs.21) on account of adoption of Ind AS 116.

(v) The following is the information regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at 31 March 2021	As at 31 March 2020
Less than one year	171	182
One to five years	617	760
More than five years	-	-
Total	**788**	**942**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(vi) There are no leases not yet commenced to which the Company is committed.

(vii) Information about finance leases under Ind AS 17 is presented below:

- Loan from Hewlett Packard Financial Services (India) Private Limited under finance lease amounting to Rs. 6 (31 March 2020 : Rs. 14) carrying interest rate of 11.57% (31 March 2020: 11.57%) for purchase of computer hardware and is payable in Nil (31 March 2020 : 7) equal quarterly instalments.

(f) Inter-corporate deposits amounting to Rs. 1,585 (31 March 2020: INR 2,785) is carrying interest rate of 12.75% to 16.50% p.a (31 March 2020: 12.75% to 16.50% p.a).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

		As at 31 March 2021	As at 31 March 2020
B. Current borrowings			
Loans repayable on demand			
- from banks (secured)	(a)	545	805
Inter-corporate deposits			
- from others (unsecured)	(b)	-	4,000
		545	4,805
		7,496	**8,810**

Notes:

(a) Packing credit amounting to Rs. 545 (31 March 2020: Rs. 805) availed in foreign currency carrying interest rate of 6 % p.a. (31 March 2020: 6%) is secured by exclusive charge by way of hypothecation on all current assets of the Company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Lalru, Punjab and exclusive charge by way of hypothecation on all movable property, including plant and machinery, situated at Lalru, Punjab.

(b) Inter-corporate deposits amounting to Rs. Nil (31 March 2020: Rs. 4,000) is carrying interest rate of Nil (31 March 2020: 16.50% p.a) is repayable within one year.

C. Assets pledged as security

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end:

	As at 31 March 2021	As at 31 March 2020
Property, plant and equipment	17,436	7,279
Inventory	10,130	8,648
Other current assets (including financial assets and assets held for sale)	15,070	12,884
	42,636	**28,811**

D. Reconciliation of movements of liabilities to cash flows arising from financing activities

	As at 31 March 2021	As at 31 March 2020
Borrowings at the beginning of the year (current and non-current borrowings)	**9,918**	**9,028**
Proceeds from non-current borrowings*	4,994	1,588
Repayment of non-current borrowings*	(1,776)	(109)
Repayment of lease liabilities	(87)	(164)
Repayment / proceeds of current borrowings (net)	(4,259)	(1,245)
Lease modification	-	821
Borrowings at the end of the year (current and non-current borrowings)	**8,790**	**9,918**

* Non-current borrowings include current maturities of non-current borrowings and lease liabilities

Strategic Reports
Notice
Statutory Reports
MD&A
Financial Statements

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 22: Other financial liabilities

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Current maturities of non current borrowings (refer note 21)	-	1,124	-	927
Current maturities of lease liabilities (refer note 21)	-	171	-	182
Interest accrued and due on borrowings	-	71	-	108
Unpaid dividend #	-	3	-	2
Government grant repayable	-	-	-	872
Interest bearing security deposits from customers	-	72	-	71
Security deposit from employees	-	202	-	238
Due to subsidiaries (refer note 44)	-	1,447	-	1,396
Employee related liabilities	-	625	-	642
Capital creditors	-	369	-	324
Liabilities towards customer contracts	-	-	531	1,185
Book overdraft	-	-	-	150
Others	-	411	-	547
	-	**4,495**	**531**	**6,644**

not due for deposit to investor education and protection fund

Refer note 40(b) for information about liquidity risk and market risk of other financial liabilities.

Note 23: Provisions

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 42)				
Liability for gratuity	1,152	385	1,619	553
Liability for compensated absences	405	215	705	326
	1,557	**600**	**2,324**	**879**

Note 24: Other non-current liabilities

	As at 31 March 2021	As at 31 March 2020
Deferred government grant	2	4
Deferred interest income	-	8
Deferred revenue	14	16
Advance from customers	476	-
	492	**28**

Note 25: Trade payables

	As at 31 March 2021	As at 31 March 2020
(a) Total outstanding dues of micro enterprise and small enterprises	721	386
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	10,547	8,491
	11,268	**8,877**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under :

Particulars	As at 31 March 2021	As at 31 March 2020
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	721	386
- Interest	4	7
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of payment made to the supplier beyond the appointed day during each accounting year	17	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during each accounting year) but without adding the interest specified under the MSMED act 2006.	39	34
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	43	41
(e) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	43	41

Refer note 40(b) for information about liquidity risk and market risk of trade payables.

Note 26: Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Advance from customers	2,872	483
Deferred revenue	16	30
Deferred interest income	8	48
Deferred government grant	2	2
Statutory dues	378	201
	3,276	**764**

Note 27: Current tax liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for income tax (net of advance tax of Rs. 1,461 (31 March 2020: Rs. 155))	1,157	1,037
	1,157	**1,037**

Strategic Reports
Notice
Statutory Reports
MD&A
Financial Statements

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 28: Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products		
Finished goods	60,575	50,180
Traded goods	1,144	570
Sale of services	4,587	2,889
Other operating revenues:		
Scrap sales	74	133
Export incentive	1,099	702
Others	162	276
	67,641	**54,750**

Revenue disaggregation by geography is as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Geography:		
India	24,226	19,535
Outside India		
Europe (including united kingdom)	21,733	17,256
Japan	7,348	8,870
Others	12,999	7,978
Total	**66,306**	**53,639**

Information about major customers:

Revenue from 2 customer of the Company amounting to Rs. 28,832 (previous year: Rs. 20,660) and Rs. 5,843 (previous year: Rs. 8,623) respectively, constitute more than 10% of the total revenue of Company.

Changes in Contract assets are as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	306	307
Invoices raised during the year	(306)	(307)
Revenue recognised during the year (yet to be invoiced)	398	306
Balance at the end of the year	**398**	**306**

Changes in Deferred revenue are as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	46	62
Revenue recognised during the year	(16)	(16)
Balance at the end of the year	**30**	**46**

Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Contracted price	66,340	53,735
Reductions towards variable consideration components*	(34)	(96)
Revenue recognised	**66,306**	**53,639**

*The reduction towards variable consideration comprises of trade discount.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 29: Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income		
- on fixed deposits	19	8
- others	13	31
Reversal of impairment loss on doubtful advances	28	619
Liability no longer required written back	6	39
Rental income	1	310
Amortization of government grant	2	2
Exchange gain on foreign exchange fluctuation (net)	-	118
Gain on sale of property, plant and equipment (net)	21	6
Gain on sale of investment property (net)	-	785
Others	5	6
	95	**1,924**

Note 30: Cost of materials consumed

	Year ended 31 March 2021	Year ended 31 March 2020
Inventory of raw material at the beginning of the year	4,108	3,782
Add: Purchases of raw materials	41,485	32,319
Less: Inventory of raw material at the end of the year	(6,068)	(4,108)
	39,525	**31,993**

Note 31: Purchases of stock-in-trade

	Year ended 31 March 2021	Year ended 31 March 2020
Chemicals	445	445
	445	**445**

Note 32: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock		
Work-in-progress	2,934	1,412
Finished goods	926	2,606
Stock-in-trade	81	-
Less:	**3,941**	**4,018**
Closing stock		
Work-in-progress	1,353	2,934
Finished goods	2,012	926
Stock-in-trade	38	81
	3,403	**3,941**
	538	**77**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 33: Employee benefits expense

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	5,731	5,865
Contribution to provident and other funds	665	648
Staff welfare expenses	372	357
	6,768	**6,870**

Note 34: Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on financial liabilities measured at amortized cost	882	1,429
Other borrowing cost	350	365
	1,232	**1,794**

Note 35: Depreciation and amortization expense

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of property, plant and equipment	1,240	1,080
Depreciation of right of use assets	141	146
Depreciation of investment property	-	73
Amortization of intangible assets	105	236
	1,486	**1,535**

Note 36: Other expense

	Year ended 31 March 2021	Year ended 31 March 2020
Stores and spares consumed	241	214
Power and fuel	4,115	4,229
Repairs and maintenance	1,091	1,198
Sub-contracting charges	626	483
Rent	21	18
Rates and taxes	102	755
Insurance charges	316	196
Traveling and conveyance	289	728
Commission on sales	94	81
Packing expenses	719	568
Freight and handling expenses	966	614
Job work expenses	225	222
Legal and professional fees (refer note (a) below)	338	355
Director's sitting fees	16	12
Commission to director	150	-
Charity and donations (other than political parties)	6	4
Corporate Social Responsibility expenditure (refer note (b) below)	50	36
Advances written off	1	6
Property, plant and equipment written off	9	15
Investment property written off	-	227
Expected credit loss on trade receivables and advances	3	128
Marketing and promotional expenses	74	76
Exchange loss on foreign exchange fluctuations	199	-
Miscellaneous expenses	1,280	1,084
	10,931	**11,249**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

(a) Payments to the auditor (excluding taxes as applicable):

	Year ended 31 March 2021	Year ended 31 March 2020
As auditor		
Statutory audit	16	16
Limited review of quarterly results	9	9
Others	-	8
	25	**33**

(b) Details of Corporate Social Responsibility expenditure:

	Year ended 31 March 2021	Year ended 31 March 2020
Amount required to be spent by the Company during the year	46	40
Actual spent during the year:		
(i) Construction / acquisition of any asset	42	29
(ii) On purposes other than (i) above		
- In cash	8	7
- Yet to be paid in cash	**-**	**4**

Note 37: Exceptional item

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Loss on fire (net of insurance claim)	(a)	-	-
		-	**-**

(a) On 10 July 2019, a fire broke out at one section of Agro Chemicals Division, Derabassi which caused damage to the Company's property, plant, equipment, capital work-in-progress and inventories. The Company lodged claim with the insurance company for losses suffered which is under survey by the insurance company. The Company had recorded a loss of Rs. 1,104 arising from such incident for the year ended 31 March 2021. Further, the Company had also recognised a minimum insurance claim receivable for equivalent amount which was disclosed under note 10 in these standalone financial statements. The aforementioned losses and the corresponding credit arising from insurance claim receivable has been presented on a net basis (Rs. Nil) under Exceptional items in these standalone financial statements. There are no disputes made by the insurance company against such claim till the date of these standalone financial statements. The Company has received on account payments of Rs. 494 from the insurance company and Rs. 156 from the scrap vendor. The same has been adjusted with the amount recoverable from the insurance company. Also, the Company is in the process of determining its final claim for loss of property, plant and equipment and losses incurred due to interruption of business and has accordingly not recorded any further claim arising therefrom at this stage.

Note 38: Tax expense

a) Amount recognized in statement of profit and loss

	Year ended 31 March 2021	Year ended 31 March 2020
Current tax:		
- Current year	1,315	1,238
	1,315	**1,238**
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	442	(105)
	442	**(105)**
Total tax expense recognised	**1,757**	**1,133**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

b) Reconciliation of effective tax rate

	Year ended 31 March 2021	Year ended 31 March 2020
Accounting profit before income tax	**6,811**	**2,711**
Tax at India's statutory tax rate of 25.168% (31 March 2020: 25.168%)	1,714	682
Effect of expense that are non-deductible expenses in determining taxable profits	6	30
Effect of change in estimate related to previous year	-	125
Effect of tax on sale of Flat & investment property	65	296
Others	(29)	1
Income tax expense recognised in the statement of profit and loss	**1,757**	**1,133**

c) Income tax expense recognised in other comprehensive income

	Year ended 31 March 2021	Year ended 31 March 2020
Arising on income and expenses recognized in other comprehensive income		
Remeasurement of defined benefit obligation	(16)	7
Equity investments through other comprehensive income- net change in fair value	(2)	2
Total income tax recognised in other comprehensive income	**(18)**	**9**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(18)	9
Items that will be reclassified to profit or loss	-	-
	(18)	**9**

Note 39: Earnings per share

	Year ended 31 March 2021	Year ended 31 March 2020
Profit after tax for basic and diluted EPS per share	5,054	1,578
Weighted average number of equity shares for basic and diluted EPS per share	12,262,185	12,262,185
Basic and diluted earnings per share (face value of Rs. 10 each)	**41.22**	**12.87**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 40(a): Fair values

Financial instruments by category and fair values	Note	Level of hierarchy	As at 31 March 2021			As at 31 March 2020		
			FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
Financial assets (non-derivative)								
Non current								
Investment in quoted equity shares ^	(a)	1	-	-	-	-	-	-
Investment in unquoted equity shares - Subsidiary	(b)		-	-	-	-	-	-
Investment in unquoted equity shares - Others	(a)	3	-	-	128	-	-	118
Trade receivables			-	-	-	-	-	-
Loans	(c)		-	278	-	-	280	-
Other financial assets	(c)		-	22	-	-	37	-
Current								
Trade receivables	(d)		-	7,980	-	-	4,766	-
Cash and cash equivalents	(d)		-	1,140	-	-	262	-
Other bank balances	(d)		-	285	-	-	162	-
Loans	(d)		-	2,164	-	-	2,186	-
Other financial assets	(d)		-	1,766	-	-	3,987	-
Total financial assets			**-**	**13,635**	**128**	**-**	**11,680**	**118**
Financial liabilities (non-derivative)								
Non-current								
Borrowings (including current maturities)	(e)	3	-	8,246	-	-	5,114	-
Other financial liabilities	(c)		-	-	-	-	531	-
Current								
Borrowings	(d)	3	-	545	-	-	4,805	-
Trade payables	(d)		-	11,268	-	-	8,877	-
Other financial liabilities	(d)		-	3,200	-	-	5,535	-
Total financial liabilities			**-**	**23,259**	**-**	**-**	**24,862**	**-**

(a) For quoted investments, market value is taken as fair value. The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.

(b) As per paragraph D 15 of Ind AS 101, the Company has elected to measure its investment in SD Agchem (Europe) (Subsidiary of the Company), at its fair value on transition date which will be regarded as it deemed cost.

(c) Fair value of non-current financial assets and financial liabilities has not been disclosed as there is no significant differences between carrying value and fair value.

(d) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(e) The Company's non-current borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such non-current borrowings approximates fair value. Further, fair value measurement of lease liabilities is not required.

There are no transfers between level 1, level 2 and level 3 during the current year and previous year

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI

	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	118	127
Re-measurement recognized in OCI	10	(9)
Balance at the end of the year	**128**	**118**

^ Value of investment is less than Rs. 1 (previous year: Rs. 1).

Note 40(b): Financial risk management

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

The Company has taken into account the possible impact of Covid-19 in preparation of the financial results, including its assessment of the recoverable value of its assets based on the internal and external information up to the date of approval of these results and current indicators of future economic conditions.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk (see (ii));
- Liquidity risk (see (iii));and
- Market risk (see (iv))

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Company's receivable from customers and loans. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at 31 March 2021	As at 31 March 2020
- Investments	128	118
- Trade receivables	7,980	4,766
- Cash and cash equivalents	1,140	262
- Other bank balances	285	162
- Loans	2,442	2,466
- Other financial assets	1,788	4,024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

The Company's exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Within India	3,966	2,575
Outside India	4,014	2,191

The carrying amount of the Company's most significant customer is Rs. 2,443 (31 March 2020: Rs. 1,652).

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

Particulars	Gross carrying amount	Loss allowance	Carrying amount
31 March 2021			
Less than 6 Months	6,675	-	6,675
More than 6 Months	1,419	114	1,305
	8,094	**114**	**7,980**
31 March 2020			
Less than 6 Months	4,657	-	4,657
More than 6 Months	1,419	1,310	109
	6,076	**1,310**	**4,766**

The movement in the allowance for impairment in respect of trade receivables is as follows

	Year ended 31 March 2021	Year ended 31 March 2020
Balance as at the beginning of the year	1,310	1,183
Provision made during the year	3	127
Amounts written back	(1,199)	-
Balance as at the end of the year	**114**	**1,310**

The loans primarily represents security deposits and advances recoverable. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for excepted credit loss has been provided on these financial assets. Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Cash and cash equivalents

The Company holds cash and cash equivalents of Rs. 1,140 at 31 March 2021 (31 March 2020: Rs. 262). The cash and cash equivalents are held with scheduled banks.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities. The Company will continue to consider various borrowings or leasing options to maximize liquidity and supplement cash requirements as necessary.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

	Less than 1 year	1 to 5 years	> 5 years	Total
As at 31 March 2021				
Borrowings (including current maturities)	1,840	6,951	-	8,791
Trade and other payables	11,268	-	-	11,268
Other financial liabilities	3,200	-	-	3,200
	16,308	**6,951**	**-**	**23,259**
As at 31 March 2020				
Borrowings (including current maturities)	5,914	4,005	-	9,919
Trade and other payables	8,877	-	-	8,877
Other financial liabilities	6,066	-	-	6,066
	20,857	**4,005**	**-**	**24,862**

(iv) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material prices under check to the extent possible.

(b) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The risk is managed by the Company by maintaining an appropriate mix between fixed and

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

floating rate borrowings. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

The exposure of the Company's borrowing to fixed interest rate as reported at the end of the reporting period are as follows:

	As at 31 March 2021	As at 31 March 2020
Fixed rate borrowings	8,246	9,114
Floating rate borrowings	545	805
Total borrowings (gross of transaction cost)	**8,791**	**9,919**

Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
Year ended 31 March 2021				
Interest rate (0.5% movement)	3	(3)	1	(1)
Year ended 31 March 2020				
Interest rate (0.5% movement)	4	(4)	1	(1)

c) **Foreign currency risk**

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

Unhedged foreign currency exposure

The following table provides details of the Company's exposure to currency risk:

Foreign Exchange Exposures outstanding at the year end	Currency	As at 31 March 2021		As at 31 March 2020	
		Amount in indian currency	Amount in foreign currency	Amount in indian currency	Amount in foreign currency
Trade receivable	EUR	2,809	33	382	5
	USD	1,460	20	2,878	38
	GBP ^	13	0	-	-
Trade payable	EUR	105	1	102	1
	USD	2,539	34	795	11
Packing credit	EUR	545	6	805	10
Advances recoverable from related party	EUR	1,948	23	2,015	24
Due to subsidiaries	EUR	1,447	17	1,397	17
Investments (at historical cost)	EUR	5,463	102	5,463	102

^ amount is less than Rs. 1

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2021 and 31 March 2020 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	**Profit or Loss**		**Equity, net of tax**	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 March 2021				
USD (2% movement)	22	(22)	16	(16)
EURO (2% movement)	(229)	229	(171)	171
GBP (2% movement)	(0)	0	(0)	0
31 March 2020				
USD (2% movement)	(41)	41	(31)	31
EURO (2% movement)	(170)	170	(127)	127

Note 41: Capital management

(i) Risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total borrowings net of cash and cash equivalents and other bank balances. Equity comprises all components of equity (as shown in the Balance Sheet).

The Company's adjusted net debt to equity ratio was as follows.

	As at 31 March 2021	**As at 31 March 2020**
Total liabilities	30,647	29,894
Less: cash and cash equivalents and other bank balances	(1,425)	(424)
Adjusted net debt	**29,222**	**29,470**
Total equity	**16,377**	**11,450**
Adjusted net debt to equity ratio	**1.78**	**2.57**

(ii) Dividends

	Year ended 31 March 2021	**Year ended 31 March 2020**
Final dividend for the year ended 31 March 2020 of Rs. 1.50 (31 March 2019: Rs. 1.50) per fully paid equity share *	184	184
Dividend not recognised at the end of the year		
In addition to the above dividend, since year end the Board of Directors have recommended payment of final dividend of Rs. 1.50 (31 March 2020: Rs. 1.50) per fully paid equity share. The proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting	184	184

* Final dividend has been paid on the number of shares issued by the Company till the date of annual general meeting after approval of shareholders

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 42: Employee benefits

A. Assets and liabilities relating to employee benefits

	As at 31 March 2021	As at 31 March 2020
Non-current		
Liability for gratuity	1,152	1,619
Liability for leave encashment	405	705
	1,557	**2,324**
Current		
Liability for gratuity	385	553
Liability for leave encashment	215	326
	600	**879**
	2,157	**3,203**

For details about the related employee benefit expenses, refer to note 33.

B. Defined contribution plan

a. Provident fund and employee's state insurance

The Company's provident fund scheme and employee's state insurance (ESI) fund scheme are defined contribution plans. Under the scheme, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due.

b. Superannuation Fund

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

	Year ended 31 March 2021	Year ended 31 March 2020
Amounts included in contribution to provident and other funds (refer note 33)		
Provident Fund	383	378
Superannuation Fund	256	243
ESI contribution	23	24
	662	**645**

C. Defined benefit plan - Gratuity

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

(a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

The following table sets out the status of the defined benefit plan as required under Ind AS 19 - Employee Benefits:

	Particulars	As at 31 March 2021	As at 31 March 2020
(b)	**Reconciliation of present value of defined benefit obligation**		
	Balance at the beginning of the year	2,181	2,020
	Interest cost	148	155
	Current service cost	95	93
	Past service cost	-	-
	Benefits paid	(295)	(117)
	Actuarial loss recognised in other comprehensive income		
	- from changes in financial assumptions	56	44
	- from changes in demographic assumptions	-	(1)
	- from experience adjustments	(121)	(13)
	Balance at the end of the year	**2,064**	**2,181**
c)	**Reconciliation of the present value of plan assets**		
	Balance at the beginning of the year	57	50
	Expected Interest Income	5	8
	Contributions paid by the employer	730	111
	Benefits paid	(265)	(112)
	Actuarial loss for the year on Assets	-	-
	Balance at the end of the year	**527**	**57**
d)	**Amount recognized in statement of profit and loss**		
	Total service cost	95	93
	Interest cost on benefit obligation	144	151
	Amount recognized in statement of profit and loss	**239**	**244**
e)	**Remeasurements recognised in other comprehensive income**		
	Actuarial loss for the year on defined benefit obligation	65	(30)
	Return on plan assets (excluding interest income)	1	4
	Total Actuarial gain / (loss) for the year	**66**	**(26)**
f)	**Plan assets**		
	100% of the plan assets are managed by LIC		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

g) Actuarial assumptions

(i) **Economic assumptions:** The principal assumptions arc the discount rale and salary growth rate The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate (per annum)	6.80%	6.80%
Future salary growth rate (per annum)	5.50%	5.00%
Expected rate of return on plan assets (per annum)	7.05%	7.05%
Expected average remaining working lives (years)	18.41	17.30

(ii) **Demographic assumptions:**

Particulars	As at 31 March 2021	As at 31 March 2020
Retirement Age	58	58
Mortality rate	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition rate		
Upto 30 years	3%	3%
31 to 44 years	2%	2%
44 years and above	1%	1%

h) Sensitivity analysis on defined benefit obligation on account of change in significant assumption:

	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(58)	61	(59)	62
Future salary growth rate (0.5% movement)	59	(57)	60	(58)

The above sensitivity analysis are 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 methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i) Expected future benefit payments

	As at 31 March 2021	As at 31 March 2020
Undiscounted amount of expected benefit payments for next 10 years are as follows:		
Within 1 year	385	505
1-2 year	162	143
2-3 year	151	148
3-4 year	206	140
4-5 year	139	188
5-10 years	1,020	1,057

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

j) Weighted average duration and the expected employers contribution for next year of the defined benefit plan:

	As at 31 March 2021	As at 31 March 2020
Weighted average duration of the defined benefit plan (in years)	14.51	13.79
Expected employers contribution for next year	215	244

Note 43: Contingent liabilities and commitments (to the extent not provided for)

(a) Claims against the company not acknowledged as debts

	As at 31 March 2021	As at 31 March 2020
Income Tax matters	7,668	314
Sales tax matters	11	11
Labour laws matters	4	4
Service tax matters	1	1
	7,684	**330**

Notes:

(i) The Company is contesting the demands and the management, including its tax advisors, believe that its position will be likely be upheld in appellate process. During the year, Income tax Assessing officer has passed the order dated 27 March 2021 and 28 March 2021 for assessment year 2008-2009 and 2009-2010 respectively and has raised the demand to Rs. 4,384 and Rs. 3,281 respectively. Post 31 March 2021, the Company has filed an appeal with Income Tax Appellate Tribunal (ITAT) to contest the demand. No tax expense has been accrued in financial statements for the tax demand raised. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operations.

(ii) During the previous year the Company had opted for Sabka Vishwas (Legacy Dispute Resolution Scheme), 2019 ("SVLDRS"). SVLDRS is a one-time measure for liquidation of past disputed cases of central excise and service tax for which show cause notice or appeals were pending as at 31 March 2019. The Company had paid a liability of Rs.7 under the scheme and recognized the same as expense to Statement of Profit and Loss.

(iii) During the previous year, the Directorate of Revenue Intelligence (DRI) had asked the Company to re-ascertain the benefits claimed under the Merchandise Exports from India Scheme. Accordingly, the Company had re-ascertained the benefits and it was found that an excess benefits of Rs. 777 were claimed. The Company had reversed the excess claim along with interest of Rs. 220 and deposited Rs. 125 before 31 March 2020. During the current financial year, the balance amount has been deposited with the authority. DRI has issued Show Cause notice to the company on 28 December 2020 under the Custom Act, 1962, but yet to appoint a common adjudicating authority for the purpose of adjudication in respect all imports covered in the SCN. However, in view of the Hon'ble Supreme Court's judgement dated 9 March 2021 in civil appeal no. 1827, DRI issued letter DRI/HQR/24 A/ADJN/ 3-2021/ 3245, dated 7/4/2021 intimating that the said SCN is transferred to the call book under provision of section 28(9A)(c) of the Custom act, 1962. Further, the Company has also received notice from Additional Director General of Foreign Trade (DGFT) dated 20 October 2020 and has filed the reply dated 26 October 2020 as well as attended the hearing on 04 November 2020. Thereafter, there has been no updated in the case.

(iv) Pursuant to judgement by the hon'ble supreme court dated 28 February 2019, the Company has ascertained the impact of the same from post 28 February 2019 and recognised in the financial statement. The impact has also been deposited with the authority.

(v) Subsequent to 31 March 2020, the Company and the Managing Director along with Director (Operation and Business Development) have received a show cause notice from an Adjudicating Officer of the Securities and Exchange Board of India (SEBI) with respect to allegations pertaining to non-disclosure of certain information to the Stock Exchange under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

During the quarter ended 31 March 2021, the Company, its Managing Director and a Whole Time Director have preferred to settle the matter with SEBI and in accordance with SEBI (Settlement proceedings) Regulations, 2018 have remitted, Rs. 22 Rs. 14 and Rs. 14 respectively. Accordingly, SEBI has settled the matter vide its order passed on 25 March 2021.

(b) Other Commitments

	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	486	885

Notes:

(1) The Company has extended comfort letters to provide continued financial support to its wholly-owned subsidiary to ensure that the subsidiary is able to meet its debts, commitments and liabilities as they fall due and it continues as going concerns.

Note 44: Related party disclosures

I. List of related parties and nature of related party relationship, where control exists:

Description of Relationship	Name of the Party
Subsidiary	S D Agchem (Europe) NV

II. List of related parties and nature of relationship with whom transactions have taken place during the current / previous year

Description of Relationship	Name of the Party
Enterprises where control over the composition of Governing Body exists	Hemsil Trading & Manufacturing Private Limited
	Shroff family master trust (w.e.f 26 November 2019)
	Shalil Shroff HUF (w.e.f 01 February 2021)
	Akola Chemicals (India) Limited
Key managerial personnel	Mr. Shalil Shroff (Managing Director)
	Mr. Avtar Singh (Whole time Director)
	Mr. Vinod Kumar Gupta (Chief Executive Officer) (w.e.f 8 February 2021)
	Mr. Vipul Joshi (Chief Financial Officer) (upto 31 March 2020)
	Dr. Sriram Swaminathan (Chief Financial Officer) (w.e.f 1 April 2020)
	Mr. Punit K Abrol (Sr. Vice President (Finance) & Company Secretary)
	Mr. Jain Prakash (Sr. Vice President (Works))
Non Executive Directors	Mr Mukesh D Patel
	Mr. Vijay Dilbagh Rai
	Mr. Sheo Prasad Singh
	Capt. S S Chopra (Retd.)
	Mrs Aruna Bhinge
	Mr. S.S.Tiwari
Relatives of key managerial personnel	Mrs. Shaila Shroff (upto 14 February 2020)
	Ms. Malvika Shroff
	Mrs. Bhupinder Kaur
	Mr. Jaskaran Singh
	Ms. Sonal Tiwari

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

III. Transactions with related parties during the current / previous year

Nature of transactions		Relationship	Year ended 31 March 2021	Year ended 31 March 2020
a.	**Sale of goods**			
	SD Agchem (Europe) N.V.	Subsidiary	871	717
	Akola Chemicals (India) Limited	Enterprises where control over the composition of Governing Body exists	15	25
b.	**Loans taken, deposits received, advances received during the year**			
	Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	-	150
c.	**Payment of lease liabilities**			
	Shroff family master trust	Enterprises where control over the composition of Governing Body exists	151	50
	Shalil Shroff HUF	Enterprises where control over the composition of Governing Body exists	2	-
d.	**Amount received against advances**			
	SD Agchem (Europe) N.V.	Subsidiary	138	169
e.	**Loans repaid during the year**			
	Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	1,200	2,000
f.	**Interest expense during the year**			
	Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	371	463
g.	**Expected credit loss on trade receivables made during the year**			
	SD Agchem (Europe) N.V.	Subsidiary	2	3
h.	**Reversal of expected credit loss on advances made during the year**			
	SD Agchem (Europe) N.V.	Subsidiary	-	603

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Nature of transactions		Relationship	Year ended 31 March 2021	Year ended 31 March 2020
i.	**Employee benefits paid**			
	Short term employee benefits			
	Mr. Shalil Shroff	Key managerial personnel	162	187
	Mr. Avtar Singh	Key managerial personnel	130	141
	Mr. Vipul Joshi	Key managerial personnel	-	99
	Mr. Vinod Kumar Gupta	Key managerial personnel	19	-
	Dr. Sriram Swaminathan	Key managerial personnel	89	-
	Mr. Punit K Abrol	Key managerial personnel	74	77
	Mr. Jain Prakash	Key managerial personnel	80	82
	Benefits to Relatives			
	Ms. Shaila Shroff	Relatives of key managerial personnel	-	16
	Mr. Jaskaran Singh	Relatives of key managerial personnel	12	13
j.	**Sale of flat**			
	Ms. Malvika Shroff	Relatives of key managerial personnel	285	-
k.	**Commission**			
	Executive Directors	Key managerial personnel	105	-
	Non Executive Directors	Key managerial personnel	45	-
l.	**Sitting Fees**		16	12
	Non Executive Directors	Key managerial personnel		
m.	**Legal & Professional**			
	Ms. Bhupinder Kaur	Relatives of key managerial personnel	1	1
	Ms. Sonal Tiwari	Relatives of key managerial personnel	27	27
n.	**Payment to promoter towards one time settlement**			
	Mr. Shalil Shroff	Key managerial personnel	-	358
o.	**Other borrowing cost**			
	Mr. Shalil Shroff	Key managerial personnel	-	141

Break-up of compensation of key managerial personnel of the Company

	Year ended 31 March 2021	Year ended 31 March 2020
Short-term employee benefits	555	585
Post-employment benefits	25	27
Total	**580**	**612**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

IV. Outstanding balances as at year end

Particulars	Relationship	As at 31 March 2021	As at 31 March 2020
Payables			
SD Agchem (Europe) N.V.	Subsidiary	1,447	1,396
Receivables			
SD Agchem (Europe) N.V.	Subsidiary	44	42
Akola Chemical (India) Limited	Enterprises where control over the composition of Governing Body exists	4	4
Advances given			
SD Agchem (Europe) N.V.	Subsidiary	1,948	2,015
Borrowings			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	1,585	2,785
Security deposit from employees			
Mr. Shalil Shroff	Key managerial personnel	2	2
Mr. Avtar Singh	Key managerial personnel	2	2
Mr. Punit K Abrol	Key managerial personnel	10	10
Mr. Jain Prakash	Key managerial personnel	11	11
Commission payable to directors			
Non Executive Directors	Key managerial personnel	105	-
Executive Directors	Key managerial personnel	45	-
Employee related liabilities			
Executive Directors	Key managerial personnel	8	-
Interest accrued and due on borrowings			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	43	57

V. 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 and within ordinary course of business.

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 45: Segment Information

The Executive Management Committee (Board of Director and key managerial personnel) monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. For management purpose, the Company has identified "Performance Chemicals" as single operating segment.

A) Information about geographical areas

Year ended 31 March 2021

	Sale of goods*	Sale of services *	Non current assets #
India	19,639	4,587	21,332
Outside India			
Europe (including united kingdom)	21,733	-	-
Japan	7,348	-	-
Others	12,999	-	64
Total	**61,719**	**4,587**	**21,396**

Year ended 31 March 2020

	Sale of goods*	Sale of services *	Non current assets #
India	16,646	2,889	19,152
Outside India			
Europe (including united kingdom)	17,256	-	-
Japan	8,870	-	-
Others	7,978	-	71
Total	**50,750**	**2,889**	**19,223**

* Sale of goods and sale of services has been presented based on the geographical location of the customers.

Non-current assets are excluding financial instruments and deferred tax assets and have been presented based on the geographical location of assets.

B) Information about major customers

Revenue from 2 customer of the Company amounting to Rs. 28,832 (previous year: Rs. 20,660) and Rs. 5,843 (previous year: Rs. 8,623) respectively, constitute more than 10% of the total revenue of Company.

Note 46: During the year, the Company has applied to authorized dealer for write off its certain old export receivables as per the provision / laws available. Accordingly, the Company has written off its debtors amounting to Rs. 959 and also written back Rs. 959 provision created in earlier years. As on 31 March 2021, the Company have old outstanding balances trade payables toward overseas vendors amounting Rs. 135 (previous year Rs. 139). The vendors to whom the amount is payable have not approached the Company for payment. Further, as at 31 March 2021, the Company has certain advances recoverable from its wholly owned subsidiary, located outside India, amounting to Rs. 1,948 (previous year Rs. 2,015) against expenses incurred on its behalf and certain dues towards it amounting to Rs. 1,447 (previous year Rs. 1,396)

The Company is in the process of taking necessary steps for settlement/adjustment of these old outstanding payable sums by approaching relevant regulatory authorities / Reserve Bank of India or adopting any other action permitted under applicable regulations / laws.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 47: Disclosures pursuant to Section 186 of the Companies Act, 2013:

		As at 31 March 2021	As at 31 March 2020
Investments:			
(i)	Investment in equity shares: Dena Bank Limited merged with Bank of Baroda		
	Balance as at the year end ^	0	0
	Maximum amount outstanding at any time during the year ^	0	0
(ii)	Investment in equity shares: Syndicate Bank Limited merged with Canara Bank		
	Balance as at the year end ^	0	0
	Maximum amount outstanding at any time during the year ^	0	0
(iii)	Investment in equity shares: Nimbua Green Field (Punjab) Limited		
	Balance as at the year end	118	108
	Maximum amount outstanding at any time during the year	118	117
(iv)	Investment in equity shares: Mohali Green Environment Private Limited		
	Balance as at the year end	10	10
	Maximum amount outstanding at any time during the year	10	10
(v)	Investment in equity shares: SVC Cooperative Bank Limited		
	Balance as at the year end	0	-
	Maximum amount outstanding at any time during the year	0	-

^ Value of investment is less than Rs. 1 (previous year: Rs. 1).

Note 48: The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Gaurav Mahajan
Partner
Membership No. : 507857

Mukesh D Patel
Chairman
DIN: 00009605
Place : Baroda

Shalil Shroff
Managing Director
DIN: 00015621
Place : Mumbai

Avtar Singh
Director (Operations & Business Development)
DIN: 00063569
Place: Derabassi

Vinod Kumar Gupta
Chief Executive officer
Place: Mumbai
Date: 27 May 2021

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi

Dr Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

Place: Chandigarh
Date: 27 May 2021

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of Punjab Chemicals and Crop Protection Limited

Report on the Audit of Consolidated Financial Statements

1. Opinion

We have audited the consolidated financial statements of Punjab Chemicals and Crop Protection Limited (hereinafter referred to as the 'Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiary, as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

The key audit matter	How the matter was addressed in our audit
The Company recognises revenue from the sales of products when control over goods is transferred to the customer based on the specific terms and conditions of the sale contracts entered into with respective customers. We have identified recognition of revenue as a key audit matter as– • revenue is a key performance indicator; and • there is a presumed fraud risk of revenue being overstated through manipulation of the timing of transfer of control due to pressures to achieve performance targets as well as meeting external expectations.	We assessed the compliance of the revenue recognition accounting policies against the requirement of Ind AS 115 i.e. Revenue from contracts with customers. • We evaluated the design implementation and operating effectiveness of key financial controls with respect to revenue recognition on selected transactions. • We performed substantive testing by using statistical sampling for revenue transactions recorded during the financial year. Additionally, we tested specific item on manual journals posted to revenue ledger to identify any unusual items. • We selected revenue transactions on a sample basis recorded during specified period around the year end date and checked whether revenue has been recognised in the correct reporting period by examining the underlying documents. • We assessed the adequacy of disclosures in the financial statements against the requirement of Ind AS 115.

INDEPENDENT AUDITORS' REPORT

4. Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, 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.

5. Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design

INDEPENDENT AUDITORS' REPORT

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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

7. Other Matters

(a) We did not audit the financial information of one subsidiary, whose financial information reflect total assets (before consolidation adjustments) of Rs. 22 lakhs as at 31 March 2021, total revenues (before consolidation adjustments) of Rs. 1,048 lakhs and net cash flows amounting to Rs.46 lakhs for the year ended on that date, as considered in the consolidated financial statements. Those financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid

INDEPENDENT AUDITORS' REPORT

subsidiary is based solely on the audit report of the other auditor.

The Subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditor under generally accepted auditing standards applicable in their respective country. The Company's management has converted the financial information of such subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary operations located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

8. Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary, as was audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 and 01 April 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company, is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 43(a) to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021.

INDEPENDENT AUDITORS' REPORT

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W / W-100022

Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 21507857AAAAAT5771

Place: Chandigarh
Date: 27 May 2021

INDEPENDENT AUDITORS' REPORT

Annexure A to the Independent Auditors' report on the consolidated financial statements of Punjab Chemicals and Crop Protection Limited for the period ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 8 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Punjab Chemicals and Crop Protection Limited (hereinafter referred to as "the Holding Company") as of that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 consolidated 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 controls with reference to consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 controls with reference to consolidated 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

INDEPENDENT AUDITORS' REPORT

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 consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W / W-100022

Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 21507857AAAAAT5771

Place: Chandigarh
Date: 27 May 2021

CONSOLIDATED BALANCE SHEET as at 31 March 2021

(All amounts in Indian Rupees Lakhs except for share data)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	18,231	15,865
Right of use assets	4	526	667
Capital work-in-progress	3	1,496	1,428
Investment property	5	-	-
Other intangible assets	6	132	230
Intangible assets under development	6	54	68
Financial assets			
- Investments	7	128	118
- Trade receivables	8	-	-
- Loans	9	278	280
- Other financial assets	10	22	37
Deferred tax assets (net)	11	-	153
Income tax assets (net)	12	649	649
Other non-current assets	13	308	317
Total non-current assets		**21,824**	**19,812**
Current assets			
Inventories	14	10,130	8,648
Financial assets			
- Trade receivables	8	7,986	4,766
- Cash and cash equivalents	15	1,156	323
- Bank balances other than above	16	285	162
- Loans	9	216	171
- Other financial assets	10	1,766	3,987
Other current assets	17	1,737	1,259
Total current assets		**23,276**	**19,316**
Assets held for sale	18	-	265
Total assets		**45,100**	**39,393**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	1,226	1,226
Other equity	20	13,227	8,549
Total equity		**14,453**	**9,775**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	21	6,951	4,005
- Other financial liabilities	22	-	531
Provisions	23	1,557	2,324
Deferred tax liabilities	11	306	-
Other non-current liabilities	24	492	28
Total non-current liabilities		**9,306**	**6,888**
Current liabilities			
Financial liabilities			
- Borrowings	21	545	4,805
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	25	721	386
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	25	10,629	8,558
- Other financial liabilities	22	4,099	6,301
Other current liabilities	26	3,349	764
Provisions	23	600	879
Current tax liabilities (net)	27	1,398	1,037
Total current liabilities		**21,341**	**22,730**
Total liabilities		**30,647**	**29,618**
Total equity and liabilities		**45,100**	**39,393**
Significant accounting policies	2		
Notes to the consolidated financial statements	3-49		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Gaurav Mahajan
Partner
Membership No. : 507857

Place: Chandigarh
Date: 27 May 2021

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place : Baroda

Shalil Shroff
Managing Director
DIN: 00015621
Place : Mumbai

Avtar Singh
Director (Operations & Business Development)
DIN: 00063569
Place: Derabassi

Vinod Kumar Gupta
Chief Executive officer
Place: Mumbai
Date: 27 May 2021

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi

Dr (HC) Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
for the year ended 31 March 2021

(All amounts in Indian Rupees Lakhs except for share data)

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations	28	67,818	54,956
Other income	29	183	1,313
Total income		**68,001**	**56,269**
EXPENSES			
Cost of material consumed	30	39,525	31,993
Purchases of stock-in-trade	31	445	445
Changes in inventories of finished goods, stock-in- trade and work-in progress	32	538	77
Employee benefits expense	33	6,768	6,870
Finance costs	34	1,346	1,814
Depreciation and amortisation expense	35	1,486	1,535
Other expenses	36	10,992	11,327
Total expenses		**61,100**	**54,061**
Profit before tax and exceptional item		**6,901**	**2,208**
Exceptional items			
- Loss on fire (net of insurance claim)	37	-	-
Profit before income tax		**6,901**	**2,208**
Tax expense	38		
Current tax		1,551	1,238
Deferred tax charge / (credit)		442	(105)
Total tax expense		**1,993**	**1,133**
Profit for the year		**4,908**	**1,075**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		65	(26)
- Equity investments through other comprehensive income- net change in fair value		10	(9)
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		(16)	7
- Equity investments through other comprehensive income- net change in fair value		(2)	2
Items that will be reclassified subsequently to profit or loss:			
- Exchange difference in translating financial statements of foreign operations		(103)	(138)
Other comprehensive income / (loss) for the year (net of tax)		**(46)**	**(164)**
Total comprehensive income for the year		**4,862**	**911**
Earnings per equity share [nominal value of Rs. 10 (previous year Rs. 10)]	39		
Basic (Rs.)		40.03	8.77
Diluted (Rs.)		40.03	8.77
Significant accounting policies	2		
Notes to the consolidated financial statements	3-49		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Gaurav Mahajan
Partner
Membership No. : 507857

Place: Chandigarh
Date: 27 May 2021

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place : Baroda

Shalil Shroff
Managing Director
DIN: 00015621
Place : Mumbai

Avtar Singh
Director (Operations & Business Development)
DIN: 00063569
Place: Derabassi

Vinod Kumar Gupta
Chief Executive officer
Place: Mumbai
Date: 27 May 2021

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi

Dr (HC) Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

CONSOLIDATED STATEMENT OF CASH FLOW
for the year ended 31 March 2021

(All amounts in Indian Rupees Lakhs except for share data)

		Year ended 31 March 2021	Year ended 31 March 2020
A.	**Cash flow from operating activities**		
	Profit before tax	**6,901**	**2,208**
	Adjustments for:		
	Depreciation and amortization expense	1,486	1,535
	Liability no longer required written back	(6)	(39)
	Reversal of impairment loss on doubtful advances	(28)	(17)
	Interest income	(32)	(39)
	Amortisation of government grants	(2)	(2)
	Finance cost	1,346	1,814
	Unrealised foreign exchange loss / (gain) (net)	46	(173)
	Advances written off	1	6
	Property, plant and equipment written off	9	15
	Investment property written off	-	227
	(Gain) sale of property, plant and equipment (net)	(21)	(6)
	(Gain) on sale of investment property	-	(785)
	Expected credit loss on trade receivable	3	125
	Rental income	(1)	(310)
	Operating cash flow before working capital changes	**9,702**	**4,559**
	Changes in working capital:		
	(Increase) / decrease in trade receivables	(3,237)	1,531
	(Increase) in inventories	(1,482)	(585)
	(Increase) in other current and non-current assets	(478)	(147)
	Decrease / (increase) in current and non-current other financial assets	225	(534)
	(Increase) / decrease in current and non-current loans	(65)	80
	Increase / (decrease) in trade payables and other liabilities	3,162	(2,316)
	(Decrease) / increase in other current financial liabilities	(1,062)	952
	(Decrease) / increase in long-term and short-term provisions	(981)	337
	Cash generated from operating activities	**5,784**	**3,877**
	Income tax paid (net)	(1,331)	(430)
	Net cash generated from operating activities (A)	**4,453**	**3,447**
B.	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment (including capital advances)	(3,065)	(2,661)
	Proceeds from sale of property, plant and equipment	332	100
	Proceeds from sale of investment property	1,782	519
	Taxes paid on sale of investment property	-	(23)
	Proceeds from insurance claim	221	430
	Movement in other bank balances	(123)	7
	Decrease/(Increase) in deposits with original maturity of more than 12 months	14	(37)
	Interest received	27	3
	Rental income	1	310
	Net cash flows (used in) investing activities (B)	**(811)**	**(1,352)**

CONSOLIDATED STATEMENT OF CASH FLOW
for the year ended 31 March 2021

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31 March 2021	Year ended 31 March 2020
C. Cash flow from financing activities		
Proceeds from non-current borrowings	4,994	1,588
Repayments of non-current borrowings	(1,776)	(109)
Repayment of lease liabilities	(87)	(164)
Repayment / proceeds of current borrowings (net)	(4,259)	(1,245)
Payment of dividend (including corporate dividend tax)	(183)	(222)
Finance cost paid	(1,245)	(1,722)
Net cash flows (used in) financing activities (C)	**(2,556)**	**(1,874)**
Net increase in cash and cash equivalents (A+B+C)	**1,086**	**221**
Effect of exchange (loss) / gain on cash and cash equivalents	**(103)**	**(138)**
Cash and cash equivalents at the beginning	**173**	**90**
Cash and cash equivalents at the end	**1,156**	**173**
Notes :		
1. Cash and cash equivalents include :		
Balances with banks		
- In current accounts	1,137	155
- Deposits with original maturity of less than three months	13	154
Cash on hand	6	14
Book overdraft	-	(150)
	1,156	**173**

2. The above cash flow statement has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows". Also, refer to note 2(t).
3. Refer note 21 for reconciliation of movements of liabilities to cash flows arising from financing activities.

Significant accounting policies

Notes to the consolidated financial statements

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Gaurav Mahajan
Partner
Membership No. : 507857

Place: Chandigarh
Date: 27 May 2021

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place : Baroda

Shalil Shroff
Managing Director
DIN: 00015621
Place : Mumbai

Avtar Singh
Director (Operations & Business Development)
DIN: 00063569
Place: Derabassi

Vinod Kumar Gupta
Chief Executive officer
Place: Mumbai
Date: 27 May 2021

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi

Dr (HC) Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2021

(All amounts in Indian Rupees Lakhs except for share data)

a. Equity share capital:

	Note	
Balance as at 1 April 2019	19	1,226
Changes in equity share capital during the year		-
Balance as at 31 March 2020	19	1,226
Changes in equity share capital during the year		-
Balance as at 31 March 2021		1,226

b. Other Equity:

Particulars	Reserves and surplus (Refer note 1)						Other comprehensive income (Refer note 1)		Total
	Capital reserve	Securities premium	Capital redemption reserve	Capital reduction reserve	Amalgamation reserve	Retained earnings	Equity instruments through other comprehensive income	Foreign currency translation reserve	
Balance as at 1 April 2019	314	5,707	28	21	19	1,541	9	221	7,860
Total comprehensive income for the year ended 31 March 2019									
- Profit for the year	-	-	-	-	-	1,075	-	-	1,075
- Dividend						(184)			(184)
- Corporate dividend tax						(38)			(38)
- Other comprehensive income/ (loss) (net of tax)	-	-	-	-	-	(19)	(7)	(138)	(165)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**834**	**(7)**	**(138)**	**689**
- Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	**314**	**5,707**	**28**	**21**	**19**	**2,375**	**2**	**83**	**8,549**
Total comprehensive income for the year ended 31 March 2020									
- Profit for the year	-	-	-	-	-	4,908	-	-	4,908
- Dividend	-	-	-	-	-	(184)	-	-	(184)
- Corporate dividend tax	-	-	-	-	-	-	-	-	-
- Other comprehensive (loss) (net of tax)	-	-	-	-	-	49	8	(103)	(46)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**4,773**	**8**	**(103)**	**4,678**
Balance as at 31 March 2021	**314**	**5,707**	**28**	**21**	**19**	**7,148**	**10**	**(20)**	**13,227**

Note 1 : Refer to note 20 for nature and purpose of other equity

Significant accounting policies 2

Notes to the consolidated financial statements 3-49

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Gaurav Mahajan
Partner
Membership No. : 507857

Place: Chandigarh
Date: 27 May 2021

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place : Baroda

Shalil Shroff
Managing Director
DIN: 00015621
Place : Mumbai

Avtar Singh
Director (Operations & Business Development)
DIN: 00063569
Place: Derabassi

Vinod Kumar Gupta
Chief Executive officer
Place: Mumbai
Date: 27 May 2021

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi

Dr (HC) Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2021

Note 1. Corporate Information

Punjab Chemicals and Crop Protection Limited ("the Company" or the "Parent Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Milestone 18, Ambala Kalka Road, Village & P.O. Bhankharpur, Derabassi, Distt. SAS Nagar, Mohali (Punjab)-140201.

The Group is engaged in business of manufacturing of agro chemicals, speciality chemicals and bulk drugs and its intermediates.

Note 2. Significant accounting policies

(a) Basis of preparation

(i) Statement of compliance

These Consolidated financial statements ("Consolidated Financial Statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013, ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The consolidated financial statements of the Company as at and for the year ended on 31 March 2021 comprise the financial statements of the Company and its subsidiary (together referred to as "the Group").

Effective 01 April 2016, the Group had transitioned to Ind AS while the consolidated financial statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance of Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Group had elected to certain exemption which are listed as below:

a. The Group had opted to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognized in the consolidated financial statements prepared under previous GAAP and use the same as deemed cost in the consolidated financial statement as at the transition date.

b. The Group had opted to carry the assessment whether a contract or arrangement contains a lease on the basis of and circumstances existing at the date of transition except where the effect is not expected to be material. In accordance with Ind AS 17, this assessment should be carried out (at the inception of the contract or arrangement).

c. The Group had deemed the cumulative translation differences for all foreign operations to be zero as at the transition date by transferring cumulative differences to retained earnings.

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months. The Consolidated financial statements for the year ended 31 March 2021 were approved for issue by the Company's Board of Directors on 27 May 2021.

(ii) Functional and presentation currency

The functional currency of the Group is the Indian rupee. These financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest lakhs, upto two places of decimal, unless otherwise indicated.

(iii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefits (assets)/liability	Fair value of the plan assets less present value of defined benefits obligations

(iv) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 2(d) and 3 – Assessment of useful life and residual value of Property, plant and equipment
- Note 2(e) and 4 – Lease Classification and assessment of lease term, useful life of right-to-use asset, discount rate
- Note 2(g) and 6 – Assessment of useful life of Intangible assets
- Note 2(p),2(q), 23 and 43 – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2(n),11 and 38 – Recognition and estimation of tax expense including deferred tax; recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used, future recoverability been probable;
- Note 2(m) and 42 – Measurement of defined benefit obligations: key actuarial assumptions
- Note 2(j) – Impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 2(j) – Impairment of financial assets
- Note 2(i) – Valuation of inventories

(v) *Measurement of fair values*

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included note 40(a).

(b) Principles of consolidation

The consolidated financial statements comprises the financial statement of the Group, and the entities controlled by the Group including its subsidiary as at 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The details of the consolidated entities are as follows:

S. No.	Name	Country of Incorporation	Percentage of ownership
1	SD Agchem (Europe) NV	Belgium	100 %

Consolidation procedure

(i) Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity. NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in Statement of Profit and Loss.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in Statement of Profit and Loss.

(vii) Foreign operations

The assets and liabilities of foreign operations (i.e subsidiary) including goodwill and fair value adjustments arising on acquisition, are translated into Indian Rupees, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Such exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI.

(c) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

<u>*Financial assets*</u>

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Group may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable adoption to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) Property, plant and equipment ('PPE')

Recognition and measurement

Items of PPE are stated at cost, which includes capitalized finance costs, less accumulated depreciation and/or accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes after deducting any trade discounts and rebates and any directly attributable cost of bringing the asset to its working condition for its intended use.

The cost of a self-constructed item of PPE comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Advances paid towards acquisition of PPE outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work- in-progress.

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with the notification dated 29 August 2014 of the Ministry of Corporate Affairs except for certain classes of PPE which are depreciated based on the internal technical assessment of the management. The estimated useful lives of items of PPE for the current and comparative periods are as follows:

Particulars	Useful life as per Schedule II	Management estimate of useful life
Building - Factory	30 Years	5 - 28 Years
Building - Office	60 Years	5 - 50 Years
Plant and equipment	3 - 15 Years	5 - 20 Years
Electrical installations	10 Years	20 Years
Vehicles	8 Years	8 Years
Furniture and fittings	10 Years	10 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Derecognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

use and disposal. Losses arising from retirement and gains or losses arising from disposal of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

(e) Leases

The Group has applied Ind AS 116 w.e.f. 01 April 2019 using the modified retrospective approach. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases in which the Group is a lessee

The Group's lease asset classes primarily consist of leases for buildings and leasehold land. The Group, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. Modified retrospective approach has been applied to contracts existing and entered on or after 1 April 2019 and accordingly there has been no adjustment in the opening balance of retained earnings as on 1 April 2019..

The Group elected to use the following practical expedients on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. 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.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Group recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Group recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

Leases in which the Group is a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue to allocate the consideration in the contract.

Amendments to Ind AS 116

On 24 July 2020, Ministry of Corporate Affairs notified amendments to Ind AS 116 – Leases, introducing an optional practical expedient for leases in which the Company is a lessee wherein the Company is not required to assess whether eligible rent concessions, to payments originally due on or before 30 June 2021, which are direct consequences of the COVID-19 pandemic are lease modifications. The Company has elected to apply the practical expedient consistently to lease contracts.

(f) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the Group depreciates investment property on a straight-line basis using the best estimate of the period over which investment property is expected to be used. The useful life estimate is different from the indicative useful life mentioned in Part C of Schedule II to the Act. The estimated useful lives of items of investment property for the current and comparative periods are as follows:

Investment property	Useful life as per Schedule II	Management estimate of useful life
Building	30 Years	5 - 28 Years
Plant and equipment	3 - 15 Years	5 - 20 Years

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

(g) Other intangible assets

Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Acquired Intangible

Intangible assets that are acquired (including implementation of software system) are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non- refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Advances paid towards acquisition of intangible assets outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in Statement of Profit and Loss.

The estimated useful lives are as follows:

- Computer software 3 Years
- Product registrations (including task charges, task force studies and other related expenses) 10 Years
- Technical know-how 5 Years

Derecognition

Intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

(h) Non-current assets held for sale

Non-current assets, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment, and investment property and intangible assets are no longer amortised or depreciated.

(i) Inventories

Inventories are valued at lower of cost or net realisable value. The methods of determining cost of various categories of inventories are as follows:

Raw materials (except goods in transit)	Weighted average method
Finished goods	Weighted average method
Packing material	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. . The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use.

The comparison of cost and net realisable value is made on an item-by-item basis.

(j) Impairment

Impairment of financial assets

The Group recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

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

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Group in accordance with the contract and the cash flow that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

Impairment of non-financial assets

The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g head office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(k) Revenue from contract with customers

Under Ind AS 115, the group recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:
Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by geography.

Use of significant judgements in revenue recognition

a. The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c. The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

e. Revenue for fixed-price contract is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

f. Contract fulfilment costs are generally expensed as incurred except for certain expenses which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Sale of services

The Group offers services in fixed term contracts and short term arrangement. Revenue from service is recognized when obligation is performed or services are rendered.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except where the rentals are structured to increase in line with expected general inflation.

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is genrally when shareholders approve the dividend.

Export incentives

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Insurance and Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(l) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(m) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Group 's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Certain employees of the Group are also participants in the superannuation plan ('the Plan'), a defined contribution plan. The Group makes contributions to Life Insurance Corporation of India (LIC). Contribution made by the Group to the plan during the year is charged to Statement of Profit and Loss.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC') for certain employees. The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Group's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Other long-term employee benefits:

Compensated absences

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Group's obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an actuarial valuation performed annually by a qualified actuary using the projected unit cost credit method.

Termination benefits:

Termination benefits are recognised as an expense when, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(n) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other Comprehensive Income.

- Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions or make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability as per the provisions of Income-tax Act,1961.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets, recognized or unrecognized, are reviewed at each reporting date and recognized / reduced to the extent that it has become probable / no longer probable respectively that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

(o) Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(p) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

(q) Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

(r) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

(s) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(t) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(u) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions.

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

(v) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(w) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Group in connection with

Strategic Reports
Notice
Statutory Reports
MD&A
Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(x) Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Group is charged to the Statement of the Profit and Loss.

(y) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(z) Recent Indian Accounting Standards (Ind AS)

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The Company is evaluating these amendments on its financial statements and will give effect to the same as required by law.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 3: Property, plant and equipment and capital work-in-progress

Gross carrying amount

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total	Capital work-in-progress
Balance as at 1 April 2019	5,395	3	2,186	9,648	184	983	253	18,652	582
Reclassified on account of adoption of Ind AS 116 (refer note 4)	-	3	-	-	-	-	29	32	
Adjusted balance as at 1 April 2019	**5,395**	**-**	**2,186**	**9,648**	**184**	**983**	**224**	**18,620**	**582**
Additions	-	-	243	1,433	27	61	87	1,851	3,210
Reclassified from investment property (refer note 5)	-	-	13	191	-	-	-	204	
Disposals /other adjustments (refer note e below)	-	-	89	536	-	20	-	645	2,364 #
Assets classified as held for sale (refer note 18)	-	-	416	-	-	-	-	416	
Balance as at 31 March 2020	**5,395**	**-**	**1,937**	**10,736**	**211**	**1,024**	**311**	**19,614**	**1,428**
Balance as at 1 April 2020	**5,395**	**-**	**1,937**	**10,736**	**211**	**1,024**	**311**	**19,614**	**1,428**
Additions	-	-	777	2,497	140	187	57	3,658	3,253
Disposals /other adjustments (refer note e below)	-	-	-	88	-	56	4	148	3,185 #
Balance as at 31 March 2021	**5,395**	**-**	**2,714**	**13,145**	**351**	**1,155**	**364**	**23,124**	**1,496**
Accumulated depreciation									
Balance as at 1 April 2019	-	-	529	2,056	57	238	57	2,937	-
Reclassified on account of adoption of Ind AS 116 (refer note 4)	-	-	-	-	-	-	6	6	
Adjusted balance as at 1 April 2019	**-**	**-**	**529**	**2,056**	**57**	**238**	**51**	**2,931**	**-**
Depreciation for the year	-	-	123	793	28	118	47	1,109	-
Reclassified from investment property (refer note 5)	-	-	11	131	-	-	-	142	
Disposals /other adjustments (refer note e below)	-	-	18	254	-	9	-	281	
Assets classified as held for sale (refer note 18)	-	-	151	-	-	-	-	151	-
Balance as at 31 March 2020	**-**	**-**	**494**	**2,726**	**85**	**347**	**98**	**3,750**	**-**
Depreciation for the year	-	-	137	856	34	134	50	1,211	-
Disposals /other adjustments (refer note e below)	-	-	-	34	-	31	3	68	-
Balance as at 31 March 2021	**-**	**-**	**631**	**3,548**	**119**	**450**	**145**	**4,893**	**-**
Carrying amounts (net)									
As at 31 March 2020	**5,395**	**-**	**1,444**	**8,010**	**125**	**677**	**213**	**15,865**	**1,428**
As at 31 March 2021	**5,395**	**-**	**2,084**	**9,597**	**231**	**705**	**219**	**18,231**	**1,496**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes:

a. Plant and equipment includes Rs. 44 (previous year: Rs. 44) worth of equipment acquired under United Nations Industrial Development Organisation grant scheme.

b. Plant and equipment includes Rs. 24 (previous year: Rs. 21) of capitalisation towards research and development.

c. Refer note 21 for information on property, plant and equipment pledged as security by the Company during the year.

d. Refer note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

e. Includes net carrying amount of Rs. Nil (previous year: Rs. 298) pertaining to loss of property, plant and equipment and Rs. Nil (previous year: Rs. 518) pertaining to loss of capital work-in-progress due to fire incident at one section of the Agro Chemicals Division of the Company (also refer note 37).

f. The Company has capitalised the following expenses of revenue nature to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	72	82
Store consumption	739	570
Power and fuel	28	32
Finance costs	151	68
	990	**752**

Represents capital work in progress capitalized during the current year (other than amount mentioned in note e above) and previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 4: Right of use asset

	Leasehold Land	Building	Furniture and fixtures	Total
Balance as at 1 April 2019	-	191	-	191
Reclassified on account of adoption of Ind AS 116 (refer note 3)	3	-	29	32
Additions	-	590	-	590
Deletions	-	-	-	-
Depreciation for the year	-	140	6	146
Balance as at 31 March 2020	**3**	**641**	**23**	**667**
Balance as at 1 April 2020	3	641	23	667
Additions	-	-	-	-
Deletions	-	-	-	-
Depreciation for the year	-	138	3	141
Balance as at 31 March 2021	**3**	**503**	**20**	**526**

Notes:

a. The Company had adopted Ind AS 116 effective 1 April 2019, using the modified retrospective method. The Company had applied the standard to its leases with the cumulative impact recognised on the date of initial application (i.e 1 April 2019).

   This has resulted in recognising a right-of-use asset of Rs. 191 and a corresponding lease liability of Rs.191. Further, amounts representing leasehold land and furniture and fixtures, classified as finance lease as per Ind AS 17, have been reclassified from property, plant and equipment to Right-of-Use Assets.

b. The Company also leases certain office premises with contract terms of one year. These leases were short-term in nature and the Company has elected not to recognise right-of-use assets and lease liabilities for these leases. The Company incurred Rs. 21 (previous year Rs. 18) towards expenses relating to short-term leases for which the recognition exemption has been applied.

c. The total cash outflow for leases, including cash outflow for short term and low value leases, is Rs. 108 (previous year Rs.182).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 5: Investment property

Gross carrying amount

	Leasehold Land	Building	Plant and equipment	Total
Balance as at 1 April 2019	522	1,178	588	2,288
Reclassified to property, plant and equipment (refer note no. 3)		13	191	204
Disposals / other adjustments	522	1,165	397	2,084
Balance as at 31 March 2020	**-**	**-**	**-**	**-**
Balance as at 1 April 2020	-	-	-	-
Reclassified to property, plant and equipment (refer note no. 3)	-	-	-	-
Disposals / other adjustments	-	-	-	-
Balance as at 31 March 2021	**-**	**-**	**-**	**-**
Accumulated depreciation				
Balance as at 1 April 2019	27	61	321	409
Depreciation for the year	9	32	33	74
Reclassified to property, plant and equipment (refer note no. 3)	-	11	131	142
Disposals / other adjustments	36	82	223	341
Balance as at 31 March 2020	**-**	**-**	**-**	**-**
Balance as at 1 April 2020	-	-	-	-
Depreciation for the year	-	-	-	-
Reclassified to property, plant and equipment (refer note no. 3)	-	-	-	-
Disposals / other adjustments	-	-	-	-
Balance as at 31 March 2021	**-**	**-**	**-**	**-**
Carrying amount (net)				
As at 31 March 2020	**-**	**-**	**-**	**-**
As at 31 March 2021	**-**	**-**	**-**	**-**
Fair value				
As at 31 March 2020				**-**
As at 31 March 2021				**-**

Fair value hierarchy

The fair value of investment property had been determined by external expert, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique

The Company follows discounted cash flows technique. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Investment property comprises of a leasehold land, building and plant and equipment that was leased to a third party. The lease contained an initial non-cancellable period of 3 years with an option of negotiating subsequent renewals with the lessee. No contingent rents are charged. Refer note 29 for further information.

During the previous year, after approval of the Board of Directors, the Company transferred and assigned the leasehold rights in respect of the Industrial Plots together with the Factory building situated at E-51/1, E-51/2 and 52 MIDC, Tarapur, Boisar, Maharashtra to the lessee at the expiry of the lease term. Certain plant and equipment has been transferred from investment property to property, plant and equipment (refer note 3), since the plant and equipment was no longer being leased by the Company and as such it was decided that the plant and equipment would be used in the Agro Division of the Company. Remaining plant and equipment had been written off (refer note 36) since the assets were no longer considered to be in usable condition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 6: Other intangible assets and intangible assets under development

Gross carrying amount

	Computer Software	Product registrations	Technical know how	Total	Intangible assets under development
Balance as at 1 April 2019	76	711	320	1,107	87
Additions - internally generated	-	-	-	-	31
Additions - acquired	105	-	-	105	50
Disposals	-	-	-	-	-
Balance as at 31 March 2020	**181**	**711**	**320**	**1,212**	**68**
Balance as at 1 April 2020	181	711	320	1,212	68
Additions - internally generated	-		-	-	4
Additions - acquired	-	7	-	7	-
Disposals	-	-	-	-	18 #
Balance as at 31 March 2021	**181**	**718**	**320**	**1,219**	**54**
Accumulated amortisation					
Balance as at 1 April 2019	45	510	190	745	-
Amortisation for the year	43	127	67	237	-
Disposals	-	-	-	-	-
Balance as at 31 March 2020	**88**	**637**	**257**	**982**	**-**
Balance as at 1 April 2020	88	637	257	982	-
Amortisation for the year	44	13	48	105	-
Disposals	-	-	-	-	-
Balance as at 31 March 2021	**132**	**650**	**305**	**1,087**	**-**
Carrying amounts (net)					
As at 31 March 2020	**93**	**74**	**63**	**230**	**68**
As at 31 March 2021	**49**	**68**	**15**	**132**	**54**

Note:

a. As at 31 March 2021, the estimated remaining amortization period for intangible assets are as follows:

	As at 31 March 2021
Computer Software	0.83 to 3 years
Product registrations	1.17 to 10 years
Technical know how	0.08 to 2 years

Represents intangible assets under development capitalised during current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 7: Investments

	As at 31 March 2021	As at 31 March 2020
Non- current investments		
Investments in equity shares		
Quoted equity shares		
Equity shares (at fair value through other comprehensive income)		
- Bank of Baroda 187 (31 March 2020: 187) equity shares of Rs. 10 each fully paid-up ^	0.14	0.10
- Canara Bank 63 (31 March 2020: 63) equity shares of INR 10 each fully paid-up^	0.10	0.06
	0.24	**0.16**
Unquoted equity shares		
Other Companies (fair value through other comprehensive income)		
- Nimbua Green Field (Punjab) Limited 84,375 (31 March 2020: 84,375) equity shares of INR 10 each fully paid-up	118	108
- Mohali Green Environment Private Limited 100,000 (31 March 2020: 100,000) equity shares of INR 10 each fully paid-up	10	10
- SVC Cooperative Bank Limited 100 equity shares (31 March 2020: Nil) equity shares of INR 25 each fully paid-up	0.03	-
Total non-current investments	**128**	**118**
Aggregate book value of quoted investments ^	0.24	0.16
Aggregate market value of quoted investments ^	0.24	0.16
Aggregate value of unquoted investments	128	118

^ Value of investment is less than Rs. 1 (previous year: Rs. 1).

Note 8: Trade receivables

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2021		As at 31 March 2020	
	Non-current	**Current**	**Non-current**	**Current**
Trade receivables	-	8,052	189	5,845
Receivable from related party	-	4	-	-
Trade receivables from related party (refer note 44)	-	-	-	-
Less: expected credit loss allowance	-	(70)	(189)	(1,079)
	-	**7,986**	**-**	**4,766**
Break-up of security details				
Trade receivable considered good -Secured	-	-	-	-
Trade receivable considered good -Unsecured	-	7,986	-	4,766
Trade receivable which have significant increase in credit risk	-	-	-	-
Trade receivable- credit impaired	-	70	189	1,079
Total	**-**	**8,055**	**189**	**5,845**
Less: expected credit loss allowance	-	(70)	(189)	(1,079)
Total trade receivables	**-**	**7,986**	**-**	**4,766**

Refer note 40(b) for information about credit risk and market risk of trade receivables.

Refer note 21(C) for hypothecation of current assets against term loan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 9: Loans

(unsecured, considered good unless otherwise stated)

	As at 31 March 2021		As at 31 March 2020	
	Non-current	**Current**	**Non-current**	**Current**
Security deposit	278	75	280	25
Advances recoverable from others				
- considered good	-	141	-	146
- considered doubtful	16	24	16	24
Less: expected credit loss allowance	(16)	(24)	(16)	(24)
	278	**216**	**280**	**171**
Break-up of security details				
Loan receivables considered good -Secured	-	-	-	-
Loan receivables considered good -Unsecured	278	216	280	171
Loan receivables which have significant increase in credit risk	-	-	-	-
Loan receivables- credit impaired	16	24	16	24
Total	**294**	**240**	**296**	**195**
Less: expected credit loss allowance	(16)	(24)	(16)	(24)
Total Loans	**278**	**216**	**280**	**171**

Refer note 40(b) for information about credit risk and market risk of loans.

Refer note 21(C) for hypothecation of current assets against term loan.

Note 10: Other financial assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2021		As at 31 March 2020	
	Non-current	**Current**	**Non-current**	**Current**
Deposits with original maturity of more than 12 months	22	-	37	-
Interest receivable	-	19	-	14
Export incentive recoverable	-	581	-	946
Insurance claim receivable (refer note 37)	-	460	-	607
Contract assets *	-	398	-	306
Cost of fulfilment of contracts **	-	308	-	319
Receivable towards sale of investment property	-	-	-	1,782
Other receivable	-	-	-	13
	22	**1,766**	**37**	**3,987**

* Refer note 28 for the changes in contract asset.

** Cost of fulfillment of contracts of INR Nil (previous year: INR Nil) has been amortised in the Statement of Profit and Loss.

Refer note 40(b) for information about credit risk and market risk of other financial assets.

Refer note 21(C) for hypothecation of current assets against term loan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 11: Deferred tax asset (net)

	As at 31 March 2021	As at 31 March 2020
Deferred tax assets on account of:		
- Expenses allowable on payment basis	451	701
- Expected credit loss allowance	100	400
- Expenses allowed on deferred basis under income tax	6	14
- Lease liabilities	23	8
Deferred tax asset (A)	**580**	**1,123**
Deferred tax liabilities on account of:		
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	886	970
Deferred tax liability (B)	**886**	**970**
Deferred tax asset (net) (A - B)	**(306)**	**153**

Movement in temporary differences:

2019-2020	**As at 1 April 2019**	**Recognised in Statement of profit or loss**	**Recognised in other comprehensive income**	**As at 31 March 2020**
- Expenses allowable on payment basis	838	(146)	9	701
- Expected credit loss allowance	727	(327)	-	400
- Expenses allowed on deferred basis under income tax	44	(30)	-	14
- Minimum alternate tax credit entitlement	10	(10)	-	(0)
- Lease liabilities	-	8		8
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(1,580)	610	-	(970)
	39	**105**	**9**	**153**

2020-2021	**As at 1 April 2020**	**Recognised in Statement of profit or loss**	**Recognised in other comprehensive income**	**As at 31 March 2021**
- Expenses allowable on payment basis	701	(232)	(18)	451
- Expected credit loss allowance	400	(300)	-	100
- Expenses allowed on deferred basis under income tax	14	(8)	-	6
- Lease liabilities	8	15	-	23
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(970)	84	-	(886)
	153	**(441)**	**(18)**	**(306)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 12: Income tax assets (net)

	As at 31 March 2021	As at 31 March 2020
Advance income-tax and tax deducted at source (net of provision Rs. 1,456 (31 March 2020: Rs. 1,456))	649	649
	649	**649**

Note 13: Other non-current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Capital advances		
- to others	308	317
	308	**317**

Note 14: Inventories

(At lower of cost and net realizable value)

	Note	As at 31 March 2021	As at 31 March 2020
Raw materials	(a), (b)	6,068	4,108
Work-in-progress	(b)	1,353	2,934
Finished goods	(a)	2,012	926
Stock-in-trade		38	81
Stores and spares		535	488
Packing material		124	111
		10,130	**8,648**
Notes:			
(a) Includes goods-in-transit:			
- raw material		822	388
- finished goods		419	216
(b) The following amounts were charged to the Statement of Profit and Loss on account of damage due to fire incident at one section of the Agro Chemicals Division of the Company (also refer note 37):			
- raw materials		-	29
- work-in-progress		-	68

Note 15: Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- Current accounts	1,137	155
- Fixed deposits with original maturity upto three months	13	154
Cash on hand	6	14
	1,156	**323**

Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of corporate affairs:
The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2021.

Refer note 21(C) for hypothecation of current assets against term loan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 16: Other bank balances

	As at 31 March 2021	As at 31 March 2020
Deposit accounts with original maturity more than 3 months and upto 12 months from the reporting date #	282	160
Balance in unclaimed dividend accounts	3	2
	285	**162**

These deposits include restricted bank deposits Rs. 156 (31 March 2020: Rs. 160) pledged as margin money.

Note 17: Other current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Recoverable from/ balances with government authorities		
- considered good	1,360	851
- considered doubtful	169	169
Less : provision for doubtful balance recoverable from government authorities	(169)	(169)
Advances for supply of goods	236	252
Prepaid expenses	136	144
Others	5	12
	1,737	**1,259**

Note 18: Assets classified as held for sale

	As at 31 March 2021	As at 31 March 2020
Assets held for sale	-	265
	-	**265**

In August 2019, management committed to a plan to sell its residential building premises located in Mumbai. Considering the intent of the Board, the premises have been presented as "Assets classified as held for sale" in accordance with Ind AS 105. During the year, the assets was sold for Rs. 285 and a gain of Rs. 20 is recognised in the profit and loss account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 19: Equity Share capital

(i) Details of share capital

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Authorised				
Equity shares of Rs. 10 each	19,800,000	1,980	19,800,000	1,980
9.8% redeemable cumulative preference shares of INR 100 each	20,000	20	20,000	20
	19,820,000	**2,000**	**19,820,000**	**2,000**
Issued Shares				
Equity shares of Rs. 10 each	12,277,218	1,228	12,277,218	1,228
	12,277,218	**1,228**	**12,277,218**	**1,228**
Subscribed and fully paid up				
Equity shares of Rs. 10 each fully paid up	12,262,185	1,226	12,262,185	1,226
	12,262,185	**1,226**	**12,262,185**	**1,226**

(ii) Reconciliation of number of shares outstanding at the beginning and end of the reporting year

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Balance at the beginning and at the end of the year	12,262,185	1,226	12,262,185	1,226

(iii) Rights, preference and restriction attached to shares

The Group has only one class of equity shares having a par value of Rs. 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Group's residual assets on winding up. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the group, the holders of equity shares will be entitled to receive the remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shareholders holding more than 5% shares in the group

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares	**% holding in the class**	**Number of shares**	**% holding in the class**
Equity shares of Rs. 10 each fully paid				
Hem-sil Trading and Manufacturing Private Limited	4,017,318	33%	4,017,318	33%
Gowal Consulting Services Private Limited	3,000,000	24%	3,000,000	24%

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2021

During the five years immediately preceding 31 March 2021, neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 20: Other equity

Nature:

(i) Capital reserve

Capital reserve represents the forfeited share application money of Rs. 185 received for preferential convertible warrants in 2008-2009 and Rs. 124 received for equity convertible warrant in 2009-2010.

(ii) Securities premium

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilized in accordance with the applicable provisions of the Companies Act, 2013.

(iii) Capital redemption reserve

Capital redemption reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(iv) Capital reduction reserve

Capital reduction reserve is carried forward in the consolidated balance sheet of the Group post merger of Parul Chemical Limited into the Group during the year 2010-2011.

(v) Amalgamation reserve

Amalgamation reserve is carried forward in the consolidated balance sheet of the Group post merger of Parul Chemical Limited into the Group during the year 2010-2011.

(vi) Retained earnings

Retained earnings represents the profits that the Group has earned till date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

(vii) Equity instruments through Other Comprehensive Income

The Group has elected to recognise changes in the fair value of certain investments in equity securities of other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The Group transfers amounts there from to retained earning when the relevant equity securities are derecognised.

(viii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Group dispose or partially dispose off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 21: Borrowings

	Note	As at 31 March 2021	As at 31 March 2020
A. Non-current borrowings			
Secured			
From Banks			
Term loan	(a), (b)	5,957	1,480
From Others			
Vehicle finance scheme	(c)	49	105
Hire purchase finance scheme	(d)	5	11
Lease liabilities	(e)	650	733
		6,661	**2,329**
Unsecured			
From Others			
Inter-corporate deposits - from related party (refer note 44)	(f)	1,585	2,785
		1,585	**2,785**
Total non current borrowings (including current maturities)		**8,246**	**5,114**
Less : Current maturities of non-current borrowings (refer note 22)*		1,124	927
Less : Current maturities of non-current lease liabilities (refer note 22)*		171	182
		6,951	**4,005**

* Current and non-current classification of borrowings is based on contractual maturities.

Notes:

(a) Term loan from RBL Bank amounting to Rs. 991 (31 March 2020: Rs. 1,480) carrying interest rate of 11.25% p.a. (31 March 2020: 11.25%) is secured by exclusive charge by way of hypothecation on all current assets of the company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Lalru, Punjab and exclusive charge by way of hypothecation on all movable property, including plant and machinery, situated at Lalru, Punjab. The loan is repayable in 9 equal quarterly installments as per the repayment schedule from March 2021. However, during the year, the Company has availed the moratorium extension announced by Reserve Bank of India. Accordingly, the loan was repayable in 12 equal quarterly installments of Rs. 125 beginning from 30 June 2020.The terms of the loan also contain certain restrictive covenants primarily requiring the Company to maintain certain financial ratios. As at 31 March 2020, a breach in financial covenants associated with the loan occurred. Subsequent to the year ended 31 March 2020, the Company obtained a waiver from Bank for the breach of covenant for a period of 12 months from the reporting date.

(b) Term loan from SVC Cooperative Bank Ltd. amounting to Rs. 4,966 (31 March 2020: Rs. Nil) carrying interest rate of 9.70% p.a. (31 March 2020: Nil) is secured by exclusive charge by way of hypothecation on all movable property including Plant & Machinery situated at Company's unit at Derabassi, Punjab both present and future. It is further secured by way of equitable mortgage on factory land and building situated at Company's unit at Derabassi, Punjab. The loan is repayable in 78 equal monthly installments of Rs. 64.10 from July 2021.

(c) - Loan from Indostar Capital Finance Limited under vehicle finance scheme amounting to Rs. 49 (31 March 2020: Rs. 92) carrying interest rate of 11.03% (31 March 2020: 11.03%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in 17 (31 March 2020: 12) equal monthly installments.

- Loan from Mahindra & Mahindra Finance Services Limited under vehicle finance scheme amounting to Nil (31 March 2020: Rs. 13) carrying interest rate of Nil % (31 March 2020: 11.02%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in Nil (31 March 2020: 8) equal monthly installments.

(d) Loan from Hewlett Packard Financial Services (India) Private Limited under hire purchase scheme amounting to Rs. 5 (31 March 2020 : Rs. 11) carrying interest rate of 13.86% (31 March 2020: 13.86%) for purchase of computer hardware. The loan is repayable in Nil (31 March 2020 : 7) equal quarterly instalments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

(e) The Company has entered into agreements for leasing office premises on lease and license basis. The leases typically run for a period of 5 years with no restriction placed upon the Company for entering into said lease. These leases were previously classified as operating leases under Ind AS 17. The Company also leases furnitures and fixtures under a number of leases, which were classified as finance leases under Ind AS 17.

Information about leases for which the Company is a lessee is presented below:

(i) The following are the amounts recognised in statement of profit and loss:

	Year ended 31 March 2021	Year ended 31 March 2020
Interest on lease liabilities	71	39
Expenses relating to short-term leases	21	18
	92	**57**

(ii) The following is the break-up of current and non-current lease liabilities as at 31 March 2021

	Year ended 31 March 2021	Year ended 31 March 2020
Non-current lease liabilities	479	551
Current maturities of lease liabilities (refer note 22)	171	182
	650	**733**

(iii) The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 11.25%

(iv) As at 31 March 2021, the Company has a lease liability balance of Rs. 650 (previous year Rs. 733). During the year the entered into new leases agreement of Rs. 4 (previous year Rs. 646) and re-classified Rs. Nil (previous year Rs.21) on account of adoption of Ind AS 116.

(v) The following is the information regarding the contractual maturities of lease liabilities as at 31 March 2021 on an undiscounted basis:

	Year ended 31 March 2021	Year ended 31 March 2020
Less than one year	171	182
One to five years	617	760
More than five years	-	-
Total	**788**	**942**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(vi) There are no leases not yet commenced to which the Company is committed.

(vii) Information about finance leases under Ind AS 17 is presented below:

- Loan from Hewlett Packard Financial Services (India) Private Limited under finance lease amounting to Rs. 6 (31 March 2020 : Rs. 14) carrying interest rate of 11.57% (31 March 2020: 11.57%) for purchase of computer hardware and is payable in Nil (31 March 2020 : 7) equal quarterly instalments.

(f) Inter-corporate deposits amounting to Rs. 1,585 (31 March 2020: INR 2,785) is carrying interest rate of 12.75% to 16.50% p.a (31 March 2020: 12.75% to 16.50% p.a). p.a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

	As at 31 March 2021	As at 31 March 2020
B. Current borrowings		
Loans repayable on demand		
- from banks (secured)	545	805
Inter-corporate deposits		
- from others (unsecured)	-	4,000
	545	**4,805**
	7,496	**8,810**

Notes:

(a) Packing credit amounting to Rs. 545 (31 March 2020: Rs. 805) availed in foreign currency carrying interest rate of 6 % p.a. (31 March 2020: 6%) is secured by exclusive charge by way of hypothecation on all current assets of the company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Lalru, Punjab and exclusive charge by way of hypothecation on all movable property, including plant and machinery, situated at Lalru, Punjab.

(b) Inter-corporate deposits amounting to Rs. Nil (31 March 2020: Rs. 4000) is carrying interest rate of nil (31 March 2020: 16.50% p.a) is repayable within one year.

C. Assets pledged as security

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end:

	As at 31 March 2021	As at 31 March 2020
Property, plant and equipment	17,436	7,279
Inventory	10,130	8,648
Other current assets (including financial assets and assets held for sale)	13,146	10,933
	40,712	**26,860**

D. Reconciliation of movements of liabilities to cash flows arising from financing activities

	As at 31 March 2021	As at 31 March 2020
Borrowings at the beginning of the year (current and non current)	9,804	8,913
Proceeds from non-current borrowings*	4,994	1,588
Repayment of non-current borrowings*	(1,776)	(109)
Repayment of lease liabilities	(87)	(164)
Repayment / proceeds of current borrowings** (net)	(4,259)	(1,245)
Lease modification	-	821
Borrowings at the end of the year (current and non current)	**8,676**	**9,804**

* Non-current borrowings include current maturities of non-current borrowings and lease liabilities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 22: Other financial liabilities

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Current maturities of non current borrowings (refer note 21)	-	1,124	-	952
Current maturities of lease liabilities (refer note 21)	-	171	-	157
Interest accrued and due on borrowings	-	71	-	108
Unpaid dividend #	-	3	-	2
Government grant repayable	-	-	-	872
Interest bearing security deposits from customers	-	72	-	71
Security deposit from employees	-	202	-	238
Employee related liabilities	-	625	-	642
Capital creditors	-	369	-	324
Liabilities towards customer contracts	-	-	531	1,185
Book overdraft	-	-	-	150
Others	-	1,462	-	1,600
	-	**4,099**	**531**	**6,301**

not due for deposit to investor education and protection fund

Refer note 40(b) for information about liquidity risk and market risk of other financial liabilities.

Note 23: Provisions

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 42)				
Liability for Gratuity	1,152	385	1,619	553
Liability for compensated absences	405	215	705	326
	1,557	**600**	**2,324**	**879**

Note 24: Other non-current liabilities

	As at 31 March 2021	As at 31 March 2020
Deferred government grant	2	4
Deferred interest income	-	8
Deferred revenue	14	16
Advance from customers	476	-
	492	**28**

Note 25: Trade payables

	As at 31 March 2021	As at 31 March 2020
(a) Total outstanding dues of micro enterprise and small enterprises	721	386
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	10,629	8,558
	11,350	**8,944**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Group as under :

Particulars	As at 31 March 2021	As at 31 March 2020
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	721	386
- Interest	4	7
(b) 'The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27of 2006), along with the amount of payment made to the supplier beyond the appointed day during each accounting year	17	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during each accounting year) but without adding the interest specified under the MSMED act 2006.	39	34
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	43	41
(e) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	43	41

^ amount is less than Rs. 1

Refer note 40(b) for information about liquidity risk and market risk of trade payables.

Note 26: Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Advance from customers	2,872	483
Deferred revenue	89	30
Deferred interest income	8	48
Deferred government grant	2	2
Statutory dues	378	201
	3,349	**764**

Note 27: Current tax liabilities (net)

	As at 31 March 2021	As at 31 March 2020
Provision for income tax (net of advance tax of Rs. 1,461 (31 March 2020: Rs. 155)	1,398	1,037
	1,398	**1,037**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 28: Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products		
Finished goods	59,704	49,463
Traded goods	2,192	1,493
Sale of services	4,587	2,889
Other operating revenues:		
Scrap sales	74	133
Export incentive	1,099	702
Others	162	276
	67,818	**54,956**

Revenue disaggregation by geography is as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Geography:		
India	24,226	19,535
Outside India		
Europe (including united kingdom)	21,910	17,462
Japan	7,348	8,870
Others	12,999	7,978
Total	**66,483**	**53,845**

Information about major customers:

Revenue from 2 customer of the Company amounting to Rs. 28,832 (previous year: Rs. 20,660) and Rs. 5,843 (previous year: Rs. 8,623) respectively, constitute more than 10% of the total revenue of Company.

Changes in Contract assets are as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	306	307
Invoices raised during the year	(306)	(307)
Revenue recognised during the year (yet to be invoiced)	398	306
Balance at the end of the year	**398**	**306**

Changes in Deferred revenue are as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	46	93
Revenue recognised during the year	56	(47)
Balance at the end of the year	**102**	**46**

Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Contracted price	66,517	53,941
Reductions towards variable consideration components*	(34)	(96)
Revenue recognised	**66,483**	**53,845**

*The reduction towards variable consideration comprises of trade discount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 29: Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income		
- on fixed deposits	19	8
- others	13	31
Reversal of impairment loss on doubtful advances	28	17
Liability no longer required written back	6	39
Rental income	1	310
Amortisation of government grant	2	2
Exchange gain on foreign exchange fluctuation (net)	88	108
Gain on sale of property, plant and equipment (net)	21	6
Gain on sale of investment property	-	785
Others	5	7
	183	**1,313**

Note 30: Cost of materials consumed

	Year ended 31 March 2021	Year ended 31 March 2020
Inventory of raw material at the beginning of the year	4,108	3,782
Add: Purchases of raw materials	41,485	32,319
Less: Inventory of raw material at the end of the year	(6,068)	(4,108)
	39,525	**31,993**

Note 31: Purchases of stock-in-trade

	Year ended 31 March 2021	Year ended 31 March 2020
Chemicals	445	445
	445	**445**

Note 32: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock		
Work-in-progress	2,934	1,412
Finished goods	926	2,606
Stock-in-trade	81	-
	3,941	**4,018**
Less: Closing stock		
Work-in-progress	1,353	2,934
Finished goods	2,012	926
Stock-in-trade	38	81
	3,403	**3,941**
	538	**77**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 33: Employee benefits expense

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	5,731	5,865
Contribution to provident and other funds	665	648
Staff welfare expenses	372	357
	6,768	**6,870**

Note 34: Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on financial liabilities measured at amortised cost	904	1,449
Other borrowing cost	442	365
	1,346	**1,814**

Note 35: Depreciation and amortization expense

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of property, plant and equipment	3	1,240	1,080
Depreciation of right of use assets	4	141	146
Depreciation of investment property	5	-	73
Amortization of intangible assets	6	105	236
		1,486	**1,535**

Note 36: Other expense

	Year ended 31 March 2021	Year ended 31 March 2020
Stores and spares consumed	241	214
Power and fuel	4,115	4,229
Repairs and maintenance	1,091	1,198
Sub-contracting charges	626	483
Rent	21	18
Rates and taxes	113	755
Insurance charges	316	196
Traveling and conveyance	289	728
Commission on sales	94	81
Packing expenses	719	568
Freight and handling expenses	966	614
Job work expenses	225	222
Legal and professional fees	387	435
Director's sitting fees	16	12
Commission to director	150	-
Charity and donations (other than political parties)	6	4
Corporate Social Responsibility expenditure	50	36
Advances written off	1	6
Property, plant and equipment written off	9	15
Investment property written off	-	227
Expected credit loss on trade receivables and advances	3	125
Marketing and promotional expenses	74	76
Exchange loss on foreign exchange fluctuations	199	-
Miscellaneous expenses	1,281	1,085
	10,992	**11,327**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 37: Exceptional item

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Loss on fire (net of insurance claim)	(a)	-	-
		-	-

(a) On 10 July 2019, a fire broke out at one section of Agro Chemicals Division, Derabassi which caused damage to the Company's property, plant, equipment, capital work-in-progress and inventories. The Company lodged claim with the insurance company for losses suffered which is under survey by the insurance company. The Company had recorded a loss of Rs. 1,104 arising from such incident for the year ended 31 March 2021. Further, the Company had also recognised a minimum insurance claim receivable for equivalent amount which was disclosed under note 10 in these consolidated financial statements. The aforementioned losses and the corresponding credit arising from insurance claim receivable has been presented on a net basis (Rs. Nil) under Exceptional items in these consolidated financial statements. There are no disputes made by the insurance company against such claim till the date of these consolidated financial statements. The Company has received on account payments of Rs. 494 from the insurance company and Rs. 156 from the scrap vendor. The same has been adjusted with the amount recoverable from the insurance company. Also, the Company is in the process of determining its final claim for loss of property, plant and equipment and losses incurred due to interruption of business and has accordingly not recorded any further claim arising therefrom at this stage.

Note 38: Tax expense

a) Income tax recognised in statement of profit and loss

	Year ended 31 March 2021	Year ended 31 March 2020
Current tax		
- Current year	1,551	1,238
	1,551	**1,238**
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	442	(105)
	442	**(105)**
Total tax expense recognised	**1,993**	**1,133**

b) Reconciliation of effective tax rate

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Accounting profit before income tax	**6,901**	**2,208**
Tax at India's statutory tax rate of 25.168% (31 March 2020: 25.168%)	1,737	556
Effect of expense that are non-deductible expenses in determining taxable profits	6	30
Effect of change in estimate related to previous year	236	125
Effect of tax on sale of investment property	65	296
Others	(51)	127
Income tax expense recognised in the statement of profit and loss	**1,993**	**1,133**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

c) Income tax expense recognised in other comprehensive income

	Year ended 31 March 2021	Year ended 31 March 2020
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	(16)	7
Equity investments through other comprehensive income- net change in fair value	(2)	2
Total income tax recognised in other comprehensive income	**(18)**	**9**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(18)	9
Items that will be reclassified to profit or loss	-	-
	(18)	**9**

Note 39: Earnings per share

	Year ended 31 March 2021	Year ended 31 March 2020
Profit after tax for basic and diluted EPS per share	4,908	1,075
Weighted average number of equity shares for basic and diluted EPS per share	12,262,185	12,262,185
Basic and diluted earnings per share (Face value of Rs. 10 each)	**40.03**	**8.77**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 40(a): Fair values

Financial instruments by category and fair values	Note	Level of hierarchy	As at 31 March 2021			As at 31 March 2020		
			FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
Financial assets (non-derivative)								
Non current								
Investment in quoted equity shares ^	(a)	1	-	-	-	-	-	-
Investment in unquoted equity shares - Others	(a)	3	-	-	128	-	-	118
Trade receivables			-	-	-	-	-	-
Loans	(b)		-	278	-	-	280	-
Other financial assets	(b)		-	22	-	-	37	-
Current								
Trade receivables	(c)		-	7,986	-	-	4,766	-
Cash and cash equivalents	(c)		-	1,156	-	-	323	-
Other bank balances	(c)		-	285	-	-	162	-
Loans	(c)		-	216	-	-	171	-
Other financial assets	(c)		-	1,766	-	-	3,987	-
Total financial assets			**-**	**11,709**	**128**	**-**	**9,726**	**118**
Financial liabilities (non-derivative)								
Non-current								
Borrowings (including current maturities)	(d)	3	-	8,246	-	-	4,957	-
Other financial liabilities	(b)		-	-	-	-	531	-
Current								
Borrowings	(c)	3	-	545	-	-	4,805	-
Trade payables	(c)		-	11,350	-	-	8,944	-
Other financial liabilities	(c)		-	2,804	-	-	5,192	-
Total financial liabilities			**-**	**22,945**	**-**	**-**	**24,429**	**-**

(a) For quoted investments, market value is taken as fair value. The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.

(b) Fair value of non-current financial assets and financial liabilities has not been disclosed as there is no significant differences between carrying value and fair value.

(c) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(d) The Company's non-current borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such non-current borrowings approximates fair value. Further, fair value measurement of lease liabilities is not required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI

	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	118	127
Re-measurement recognized in OCI	10	(9)
Balance at the end of the year	**128**	**118**

^ Value of investment is less than Rs. 1 (previous year: Rs. 1).

Note 40(b): Financial risk management

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Group's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

The Company has taken into account the possible impact of Covid-19 in preparation of the financial results, including its assessment of the recoverable value of its assets based on the internal and external information up to the date of approval of these results and current indicators of future economic conditions.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk (see (ii));
- Liquidity risk (see (iii));and
- Market risk (see (iv))

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Group's receivable from customers and loans. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at 31 March 2021	As at 31 March 2020
- Investments	128	118
- Trade receivables	7,986	4,766
- Cash and cash equivalents	1,156	323
- Other bank balances	285	162
- Loans	494	451
- Other financial assets	1,766	3,987

Trade receivables

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

The Group's exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Within India	3,966	2,575
Outside India	4,020	2,191

The carrying amount of the Group's most significant customer is Rs. 2,443 (31 March 2020: Rs. 1,652).

The Group based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

Particulars	Gross Carrying amount	Loss allowance	Carrying amount
31 March 2021			
Less than 6 Months	6,681	-	6,681
More than 6 Months	1,375	70	1,305
	8,056	**70**	**7,986**
31 March 2020			
Less than 6 Months	4,657	-	4,657
More than 6 Months	1,377	1,268	109
	6,034	**1,268**	**4,766**

The movement in the allowance for impairment in respect of trade receivables is as follows

	Year ended 31 March 2021	Year ended 31 March 2020
Balance as at the beginning of the year	1,268	1,144
Provision made during the year	3	124
Amounts written back	(1,201)	-
Balance as at the end of the year	**70**	**1,268**

The loans primarily represents security deposits and advances recoverable. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for excepted credit loss has been provided on these financial assets. Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

Cash and cash equivalents

The Company holds cash and cash equivalents of Rs. 1,156 at 31 March 2021 (31 March 2020: Rs. 323). The cash and cash equivalents are held with scheduled banks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Group's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities. The Group will continue to consider various borrowings or leasing options to maximize liquidity and supplement cash requirements as necessary.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

	Less than 1 year	1 to 5 years	> 5 years	Total
As at 31 March 2021				
Borrowings (including current maturities)	1,840	6,951	-	8,791
Trade and other payables	11,350	-	-	11,350
Other financial liabilities	2,804	-	-	2,804
	15,994	**6,951**	**-**	**22,945**
As at 31 March 2020				
Borrowings (including current maturities)	5,914	4,005	-	9,919
Trade and other payables	8,945	-	-	8,944
Other financial liabilities	5,723	-	-	5,723
	20,582	**4,005**	**-**	**24,586**

(iv) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Group has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Group manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material prices under check to the extent possible.

(b) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

The exposure of the Company's borrowing to fixed interest rate as reported at the end of the reporting period are as follows:

	As at 31 March 2021	As at 31 March 2020
Fixed rate borrowings	8,246	9,114
Floating rate borrowings	545	805
Total borrowings (gross of transaction cost)	**8,791**	**9,919**

Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
Year ended 31 March 2021				
Interest rate (0.5% movement)	3	(3)	1	(1)
Year ended 31 March 2020				
Interest rate (0.5% movement)	4	(4)	1	(1)

(c) Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities.

Unhedged foreign currency exposure

The following table provides details of the Group's exposure to currency risk:

Foreign Exchange Exposures outstanding at the year end	Currency	As at 31 March 2021		As at 31 March 2020	
		Amount in Indian currency	Amount in foreign currency	Amount in Indian currency	Amount in foreign currency
Trade receivable	EUR	2,765	32	382	5
	USD	1,460	20	2,878	38
	GBP ^	13	0.13	-	-
Trade payable	EUR	105	1	102	1
	USD	2,539	34	795	11
Packing credit	EUR	545	6	805	10

^ amount is less than Rs. 1

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2021 and 31 March 2020 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
USD (2% movement)	22	(22)	16	(16)
EURO (2% movement)	(42)	42	(32)	32
GBP (2% movement)	-	-	-	-
31 March 2020				
USD (2% movement)	(41)	41	(31)	31
EURO (2% movement)	10	(10)	8	(8)

^ amount is less than Rs. 1

Note 41: Capital management

(i) Risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total borrowings net of cash and cash equivalents and other bank balances. Equity comprises all components of equity (as shown in the Balance Sheet).

The Company's adjusted net debt to equity ratio was as follows.

	As at 31 March 2021	As at 31 March 2020
Total liabilities	**30,647**	**29,618**
Less: cash and cash equivalents and other bank balances	(1,441)	(485)
Adjusted net debt	29,206	29,133
Total equity	**14,453**	**9,775**
Adjusted net debt to equity ratio	2.02	2.98

(ii) Dividends

	As at 31 March 2021	As at 31 March 2020
Final dividend for the year ended 31 March 2020 of Rs. 1.50 (31 March 2019: Rs. 1.50) per fully paid equity share *	184	184
Dividend not recognised at the end of the year		
In addition to the above dividend, since year end the Board of Directors have recommended payment of final dividend of Rs. 1.50 (31 March 2020: Rs. 1.50) per fully paid equity share. The proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting	184	184

* Final dividend has been paid on the number of shares issued by the Company till the date of annual general meeting after approval of shareholders

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Note 42: Employee benefits

A. Assets and liabilities relating to employee benefits

	As at 31 March 2021	As at 31 March 2020
Non-current		
Liability for gratuity	1,152	1,619
Liability for leave encashment	405	705
	1,557	**2,324**
Current		
Liability for gratuity	385	553
Liability for leave encashment	215	326
	600	**879**
	2,157	**3,203**

For details about the related employee benefit expenses, refer to note no. 33.

B. Defined contribution plan

a. Provident Fund and employee's state insurance

The Company's provident fund scheme and employee's state insurance (ESI) fund scheme are defined contribution plans. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due.

b. Superannuation Fund

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

	Year ended 31 March 2021	Year ended 31 March 2020
Included in Contribution to Provident and Other Funds (Refer Note 33)		
Provident Fund	383	378
Superannuation Fund	256	243
ESI contribution	23	24
	662	**645**

C. Defined benefit plan - Gratuity

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs except for share data)

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

The following table sets out the status of the defined benefit plan as required under Ind AS 19 - Employee Benefits:

	Particulars	As at 31 March 2021	As at 31 March 2020
b)	**Reconciliation of present value of defined benefit obligation**		
	Balance at the beginning of the year	2,181	2,020
	Interest cost	148	155
	Current service cost	95	93
	Past service cost	-	-
	Benefits paid	(295)	(117)
	Actuarial loss recognised in other comprehensive income		
	- from changes in financial assumptions	56	44
	- from changes in demographic assumptions	-	(1)
	- from experience adjustments	(121)	(13)
	Balance at the end of the year	**2,064**	**2,181**
c)	**Reconciliation of the present value of plan assets**		
	Balance at the beginning of the year	57	50
	Expected Interest Income	5	8
	Contributions paid by the employer	730	111
	Benefits paid	(265)	(112)
	Actuarial loss for the year on Assets	-	-
	Balance at the end of the year	**527**	**57**
d)	**Amount recognized in statement of profit and loss**		
	Total service cost	95	93
	Interest cost on benefit obligation	144	151
	Amount recognized in statement of profit and loss	**239**	**244**
e)	**Remeasurements recognised in other comprehensive income**		
	Actuarial loss for the year on defined benefit obligation	65	30
	Return on plan assets (excluding interest income)	1	(4)
	Total Actuarial gain / (loss) for the year	**66**	**26**
f)	**Plan assets**		
	100% of the plan assets are managed by LIC		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

g) Actuarial assumptions

(i) **Economic assumptions:** The principal assumptions arc the discount rale and salary growth rate The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate (per annum)	6.80%	6.80%
Future salary growth rate (per annum)	5.50%	5.00%
Expected rate of return on plan assets (per annum)	7.05%	7.05%
Expected average remaining working lives (years)	18.41	17.30

(ii) **Demographic assumptions:**

Particulars	As at 31 March 2021	As at 31 March 2020
Retirement Age	58	58
Mortality rate	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition rate		
Upto 30 years	3%	3%
31 to 44 years	2%	2%
44 years and above	1%	1%

h) Sensitivity analysis on defined benefit obligation on account of change in significant assumption:

	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(58)	61	(59)	62
Future salary growth rate (0.5% movement)	59	(57)	60	(58)

The above sensitivity analysis are 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 methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i) Expected future benefit payments

	As at 31 March 2021	As at 31 March 2020
Undiscounted amount of expected benefit payments for next 10 years are as follows:		
Within 1 year	385	505
1-2 year	162	143
2-3 year	151	148
3-4 year	206	140
4-5 year	139	188
5-10 years	1,020	1,057

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

j) Weighted average duration and the expected employers contribution for next year of the defined benefit plan:

	As at 31 March 2021	As at 31 March 2020
Weighted average duration of the defined benefit plan (in years)	14.51	13.79
Expected employers contribution for next year	215	244

Note 43: Contingent liabilities and commitments (to the extent not provided for)

a) Claims against the company not acknowledged as debts

	As at 31 March 2021	As at 31 March 2020
Income Tax matters	7,668	314
Sales tax matters	11	11
Labour laws matters	4	4
Service Tax matters	1	1
	7,684	**330**

Notes:

(i) The Company is contesting the demands and the management, including its tax advisors, believe that its position will be likely be upheld in appellate process. During the year, Income tax Assessing officer has passed the order dated 27 March 2021 and 28 March 2021 for assessment year 2008-2009 and 2009-2010 respectively and has raised the demand to Rs. 4,384 and Rs. 3,281 respectively. Post 31 March 2021, the Company has filed an appeal with Income Tax Appellate Tribunal (ITAT) to contest the demand. No tax expense has been accrued in financial statements for the tax demand raised. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operations.

(ii) During the previous year the Company had opted for Sabka Vishwas (Legacy Dispute Resolution Scheme), 2019 ("SVLDRS"). SVLDRS is a one-time measure for liquidation of past disputed cases of central excise and service tax for which show cause notice or appeals were pending as at 31 March 2019. The Company had paid a liability of Rs.7 under the scheme and recognized the same as expense to Statement of Profit and Loss.

(iii) During the previous year, the Directorate of Revenue Intelligence (DRI) had asked the Company to re-ascertain the benefits claimed under the Merchandise Exports from India Scheme. Accordingly, the Company had re-ascertained the benefits and it was found that an excess benefits of Rs. 777 were claimed. The Company had reversed the excess claim along with interest of Rs. 220 and deposited Rs. 125 before 31 March 2020. During the current financial year, the balance amount has been deposited with the authority. DRI has issued Show Cause notice to the company on 28 December 2020 under the Custom Act, 1962, but yet to appoint a common adjudicating authority for the purpose of adjudication in respect all imports covered in the SCN. However, in view of the Hon'ble Supreme Court's judgement dated 9 March 2021 in civil appeal no. 1827, DRI issued letter DRI/HQR/24 A/ADJN/ 3-2021/ 3245, dated 7/4/2021 intimating that the said SCN is transferred to the call book under provision of section 28(9A)(c) of the Custom act, 1962. Further, the Company has also received notice from Additional Director General of Foreign Trade (DGFT) dated 20 October 2020 and the Company has filed the reply dated 26 October 2020 as well as attended the hearing on 04 November 2020. Thereafter, there has been no updated in the case.

(iv) Pursuant to judgement by the hon'ble supreme court dated 28 February 2019, the Company has ascertained the impact of the same from post 28 February 2019 and recognised in the financial statement. The impact has also been deposited with the authority.

(v) Subsequent to 31 March 2020, the Company and the Managing Director along with Director (Operation and Business Development) have received a show cause notice from an Adjudicating Officer of the Securities and Exchange Board of India (SEBI) with respect to allegations pertaining to non-disclosure of certain information to the Stock Exchange under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

During the quarter ended 31 March 2021, the Company, its Managing Director and a Whole Time Director have preferred to settle the matter with SEBI and in accordance with SEBI (Settlement proceedings) Regulations, 2018 have remitted, Rs. 22 , Rs. 14 and Rs. 14 respectively. Accordingly, SEBI has settled the matter vide its order passed on 25 March 2021.

(b) Other Commitments.

	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	486	885

Notes:

(1) The Company has extended comfort letters to provide continued financial support to its wholly-owned subsidiary to ensure that the subsidiary is able to meet its debts, commitments and liabilities as they fall due and it continues as going concerns.

Note 44: Related party disclosures

I. List of related parties and nature of related party relationship, where control exists: Nil

II. List of related parties and nature of relationship with whom transactions have taken place during the current / previous year

Description of Relationship	Name of the Party
Enterprises where control over the composition of Governing Body exists	Hemsil Trading & Manufacturing Private Limited
	Shroff family master trust (w.e.f 26 November 2019)
	Shalil Shroff HUF (w.e.f 01 February 2021)
	Akola Chemicals (India) Limited
Key managerial personnel	Mr. Shalil Shroff (Managing Director)
	Mr. Avtar Singh (Whole time Director)
	Mr. Vinod Kumar Gupta (Chief Executive Officer) (w.e.f 8 February 2021)
	Mr. Vipul Joshi (Chief Financial Officer) (upto 31 March 2020)
	Dr. Sriram Swaminathan (Chief Financial Officer) (w.e.f. 1 April 2020)
	Mr. Punit K Abrol (Sr. Vice President (Finance) & Company Secretary)
	Mr. Jain Prakash (Sr. Vice President (Works))
Non Executive Directors	Mr Mukesh D Patel
	Mr. Vijay Dilbagh Rai
	Mr. Sheo Prasad Singh
	Capt. S S Chopra (Retd.)
	Mrs Aruna Bhinge
	Mr. S.S.Tiwari
Relatives of key managerial personnel	Mrs. Shaila Shroff (upto 14 February 2020)
	Ms. Malvika Shroff
	Mrs. Bhupinder Kaur
	Mr. Jaskaran Singh
	Ms. Sonal Tiwari

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

III. Transactions with related parties during the current / previous year

Nature of transactions	Relationship	Year ended 31 March 2021	Year ended 31 March 2020
a. Sale of goods			
Akola Chemicals (India) Limited	Enterprises where control over the composition of Governing Body exists	15	25
b. Loans taken, deposits received, advances received during the year			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	-	150
c. Payment of lease liabilities			
Shroff family master trust	Enterprises where control over the composition of Governing Body exists	151	50
Shalil Shroff HUF	Enterprises where control over the composition of Governing Body exists	2	-
d. Loans repayment during the year			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	1,200	2,000
e. Interest expense during the year			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	371	463
f . Employee benefits paid			
Short term employee benefits			
Mr. Shalil Shroff	Key managerial personnel	162	187
Mr. Avtar Singh	Key managerial personnel	130	141
Mr. Vipul Joshi	Key managerial personnel	-	99
Mr. Vinod Kumar Gupta	Key managerial personnel	19	-
Dr. Sriram Swaminathan	Key managerial personnel	89	-
Mr. Punit K Abrol	Key managerial personnel	74	77
Mr. Jain Prakash	Key managerial personnel	80	82
Benefits to Relatives			
Mrs. Shaila Shroff	Relatives of key managerial personnel	-	16
Mr. Jaskaran Singh	Relatives of key managerial personnel	12	13
g. Sale of Flat			
Ms. Malvika Shroff	Relatives of key managerial personnel	285	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Nature of transactions		Relationship	Year ended 31 March 2021	Year ended 31 March 2020
h.	**Commission**			
	Executive Directors	Key managerial personnel	105	-
	Non Executive Directors	Key managerial personnel	45	-
i.	**Sitting Fees**			
	Non Executive Directors	Key managerial personnel	16	12
j.	**Legal & Professional**			
	Mrs. Bhupinder Kaur	Relatives of key managerial personnel	1	1
	Ms. Sonal Tiwari	Relatives of key managerial personnel	27	27
k.	**Payment to promoter towards one time settlement**			
	Mr. Shalil Shroff	Key managerial personnel	-	358
l.	**Other borrowing cost**			
	Mr. Shalil Shroff	Key managerial personnel	-	141

Break-up of compensation of key managerial personnel of the Company

	Year ended 31 March 2021	Year ended 31 March 2020
Short-term employee benefits	555	585
Post-employment benefits	25	27
Total	**580**	**612**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

IV. Outstanding balances as at year end

Particulars	Relationship	As at 31 March 2021	As at 31 March 2020
a. Receivables			
Akola Chemicals (India) Limited	Enterprises where control over the composition of Governing Body exists	4	4
b. Borrowings			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	1,585	2,785
c. Security deposit from employees			
Mr. Shalil Shroff	Key managerial personnel	2	2
Mr. Avtar Singh	Key managerial personnel	2	2
Mr. Punit K Abrol	Key managerial personnel	10	10
Mr. Jain Prakash	Key managerial personnel	11	11
d. Commission payable to directors			
Non Executive Directors	Key managerial personnel	105	-
Executive Directors	Key managerial personnel	45	-
e. Employee related liabilities			
Executive directors	Key managerial personnel	8	-
f. Interest accrued but not due			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	43	57

V. 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 and within ordinary course of business.

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Note 45: During the year, the Company has applied to authorized dealer for write off its certain old export receivables as per the provision / laws available. Accordingly, the Company has written off its debtors amounting to Rs. 959 and also written back Rs. 959 provision created in earlier years. As on 31 March 2021, the Company have old outstanding balances trade payables toward overseas vendors amounting Rs. 135 (previous year Rs. 139). The vendors to whom the amount is payable have not approached the Company for payment. The Company is in the process of taking necessary steps for settlement/adjustment of these old outstanding payable sums by approaching relevant regulatory authorities / Reserve Bank of India or adopting any other action permitted under applicable regulations / laws.

Note 46: Segment Information

The Executive Management Committee (Board of Directors and key managerial personnel) monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. For management purpose, the Company has identified "Performance Chemicals" as single operating segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A) Information about geographical areas

Year ended 31 March 2021	Sale of goods *	Rendering of services *	Non current assets #
India	19,639	4,587	21,760
Outside India			
Europe (including United Kingdom)	21,910	-	-
Japan	7,348	-	-
Others	12,999	-	64
Total	**61,896**	**4,587**	**21,824**

Year ended 31 March 2020	Sale of goods *	Rendering of services *	Non current assets #
India	**16,646**	**2,889**	**19,741**
Outside India			
Europe (including United Kingdom)	17,462	-	-
Japan	8,870	-	-
Others	7,978	-	71
Total	**50,956**	**2,889**	**19,812**

* Sale of goods and sale of services has been presented based on the geographical location of the customers.

Non-current assets are excluding financial instruments and deferred tax assets and have been presented based on the geographical location of assets.

B) Information about major customers

Revenue from 2 customer of the Company amounting to Rs. 28,832 (previous year: Rs. 20,660) and Rs. 5,843 (previous year: Rs. 8,623) respectively, constitute more than 10% of the total revenue of Group.

Note 47: Disclosures pursuant to Section 186 of the Companies Act, 2013:

		As at 31 March 2021	As at 31 March 2020
Investment			
i.	**Investment in equity shares: Dena Bank Limited merged with Bank of Baroda**		
	Balance as at the year end ^	0	0
	Maximum amount outstanding at any time during the year ^	0	0
ii.	**Investment in equity shares: Syndicate Bank Limited merged with Canara bank**		
	Balance as at the year end ^	0	0
	Maximum amount outstanding at any time during the year ^	0	0
iii.	**Investment in equity shares: Nimbua Green Field (Punjab) Limited**		
	Balance as at the year end	118	108
	Maximum amount outstanding at any time during the year	117	117
iv.	**Investment in equity shares: Mohali Green Environment Private Limited**		
	Balance as at the year end	10	10
	Maximum amount outstanding at any time during the year	10	10
v.	**Investment in equity shares: SVC Cooperative Bank Limited**	0	-
	Balance as at the year end	0	-
	Maximum amount outstanding at any time during the year		

^ Value of investment is less than Rs. 1 (previous year: Rs. 1).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 48: Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III:

Name of the entity in the Group	Net Assets (Total assets -Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated other comprehensive income	Amount
31 March 2021								
Parent								
Punjab Chemicals and Crop Protection Limited	113%	16,377	103%	5,054	-122%	57	105%	5,111
Subsidiary - Outside India								
S D Agchem (Europe) N.V	-13%	(1,967)	-3%	(155)	222%	(103)	-5%	(258)
Elimination	0%	43	0%	9	0%	-	0%	9
Total	**100%**	**14,453**	**100%**	**4,908**	**100%**	**(46)**	**100%**	**4,862**

Name of the entity in the Group	Net Assets (Total assets -Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated other comprehensive income	Amount
31 March 2020								
Parent								
Punjab Chemicals and Crop Protection Limited	117%	11,450	147%	1,578	16%	(26)	170%	1,552
Subsidiary - Outside India								
S D Agchem (Europe) N.V	-18%	(1,728)	10%	109	77%	(127)	-2%	(18)
Elimination	1%	53	-57%	(613)	7%	(11)	-69%	(624)
Total	**100%**	**9,775**	**100%**	**1,074**	**100%**	**(164)**	**99%**	**910**

Note 49: The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Gaurav Mahajan
Partner
Membership No. : 507857

Place: Chandigarh
Date: 27 May 2021

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place : Baroda

Shalil Shroff
Managing Director
DIN: 00015621
Place : Mumbai

Avtar Singh
Director (Operations & Business Development)
DIN: 00063569
Place: Derabassi

Vinod Kumar Gupta
Chief Executive officer
Place: Mumbai

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi

Dr (HC) Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

Place: Mumbai
Date: 27 May 2021

NOTES

NOTES

CSR ACTIVITIES OF THE COMPANY

PUNJAB CHEMICALS AND
CROP PROTECTION LTD.

REGISTERED OFFICE:

Milestone 18, Ambala Kalka Road,
Village & P.O.: Bhankharpur, Derabassi,
Distt. S.A.S. Nagar (Mohali), Punjab - 140201.

Tel: 01762-280086/ 280094,
Fax: 01762-280070
Email: info@punjabchemicals.com

CORPORATE OFFICE:

Plot No. 645-646, 5th Floor,
Oberoi Chambers II, New Link Road,
Andheri (West), Mumbai - 400 053

Tel: 022-2674 7900,
Fax: 022-2673 6193
Email: enquiry@punjabchemicals.com

www.punjabchemicals.com