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

Date: 18th July, 2022

BY E FILING

The Manager Department of Corporate Services BSE Limited **MUMBAI-400 001** Re: BSE Scrip Code: 506618	The Manager Listing Department National Stock Exchange of India Limited **MUMBAI-400 051** NSE Scrip Symbol: PUNJABCHEM

Sub: Compliance under Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/ Madam,

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2021-2022.

The Notice of 46th AGM and the Annual Report for the year ended 31st March, 2022 are also available on website of the Company at www.punjabchemicals.com.

Please take the above information on record.

Thanking you,

Yours faithfully

For PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

V SRINIVAS
COMPANY SECRETARY & COMPLIANCE OFFICER
(ACS 37078)

Encls: a/a

PUNJAB CHEMICALS
AND CROP PROTECTION LTD.
ISO 9001:2015 & ISO 14001:2015 Certified Company

46th Annual Report **2021-22**

APPLYING SCIENCE
EXPLORING IDEAS

CONTENTS

Overview

Statutory reports

Financial statements

KEY HIGHLIGHTS

Financial Year 2021-22

Revenue

₹ 933.46 crores

38%

EBITDA

₹ 140.62 crores

EBITDA Margin 15%
EBITDA 44%

Profit after Tax

₹ 83.46 crores

PAT Margin 8.94%
PAT 70%

Cash Profit

₹ 100.13 crores

Proposed Cash Dividend

30%

₹ 3 per share

RoE

45%

Order Book with long-term contracts

₹ 1,500.00 crores

Increase Y-o-Y

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 .....

Tapping the promise of all-round expansion

At the back of two most successful years so far, despite the most disruptive and challenging operational environment, Punjab Chemicals and Crop Protection Limited (PCCPL) is keen on moving into its next phase of growth. The Company is well-positioned to reap the benefits of a strong foundation laid over the last four decades.

PCCPL is keen to leverage its trusted value chain partner positioning in the current geographies to approach new customers within the same regions and expand into newer ones. At the same, to continue to be the preferred partner for contract manufacturing, PCCPL is interested in servicing the demand for newer and niche molecules. Catering to these markets allows the Company to explore horizontal expansion as well as tap the potential of vertical integration along the value chain.

Such customer-centricity will continue to be PCCPL's guiding value that also allows it to keep an optimal and enhanced product mix. The diversification, deeper within the agrochemicals, and speciality and other chemical sectors, not only mitigates risk but also allows the Company to take advantage of the opportunities presented by the varying and increasing market needs.

THE PCCPL'S IDENTITY

An aptitude for growth

The Company has evolved over four decades from Punjab United Pesticides & Chemical Limited (PUPCL) to its current form as Punjab Chemicals and Crop Protection Limited (PCCPL). Ever since its foundation in 1975, PCCPL has been dynamic in its approach in adapting to the operational and market needs. This agility has led to the record-breaking growth in the recent years and makes way for the road ahead.

Vision

PCCPL aims to establish itself as one of the important value chain partners in the CRAMS space. As a trusted technical source we deliver to our existing and new customers a range of products of established quality, generic or patented molecules in agrochemical, speciality and industrial chemicals, guaranteeing exclusivity of technology.

Journey...

Establishment and Diversification

1975
- Foundation

1983
- Speciality Chemicals

1995
- Agrochemicals
- ISO 9002 Certification

Operational Excellence and Integration

2000
- ISO 14001: 2015 Certification

2001
- ISO 9001: 2015 Certification

2003
- Diversification: Pharma Bulk Drugs
- M&A: Alpha Drug Pharma

2006
- Integration in one entity

Innovation and Expansion

2016
- Foray into CRAMS business model

2018
- Capacity expansion: Agrochemicals

Top and Bottom-line Growth

2021
- Highest EBITDA in 10 years

2022
- Highest ever EBITDA and PAT
- Export Excellence Award

2022
- Specialty and Other Chemicals
- ISO 45001:2018 Certification

Domestic and International Presence

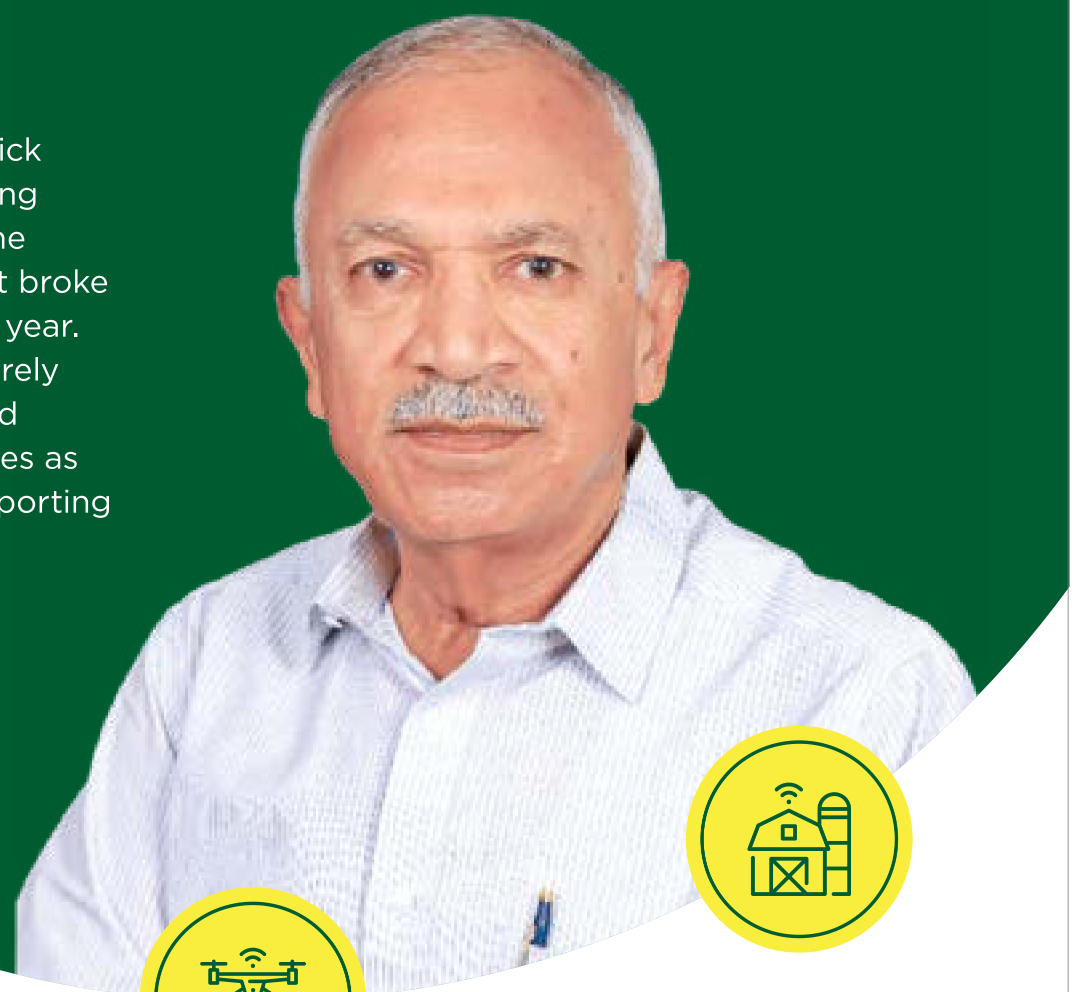
As an established and ever-growing agrochemicals and speciality chemicals company, PCCPL's eyes are now set on increasing its foothold in the CRAMS segment. The Company is building on its modern manufacturing facilities across India and serving a consistently increasing needs of its valued customers, domestic and international.

Manufacturing Plants

The plants are located at Derabassi, Lalru and Pune. All three plants are ISO (9001:2015 certified, whereas Derabassi and Lalru Plant are ISO 14001:2015 certified and Pune Plant is FSSC 22000 and FSSAI certified.

For the financial year 2021-22, the capacity utilisation at our Derabassi, Lalru and Pune plants was 85%, 70% and more than 95% respectively.

CHAIRMAN'S MESSAGE



Dear Shareholders,

FY 2021-22 witnessed a quick recovery despite the ongoing COVID-19 pandemic and the Russia-Ukraine conflict that broke out towards the end of the year. The pandemic did not severely affect the agrochemical and speciality chemical industries as these were essential in supporting the global food and health supply chain.

However, the disruption in logistics and the global supply chain, along with the sharp increase in energy and commodity prices impacted our raw material availability and its prices.

Industry review

Agriculture has been the primary source of livelihood for more than 50% of India's population, and represents around 16% of the country's Gross Domestic Product. It is indeed worth pointing out that the industry was largely unaffected in India during the course of the COVID-19 pandemic, and a 3.3% growth in FY 2021-22 is estimated, which is similar to that of FY 2020-21.

With shifting crop mix trends, and environmental laws, the agrochemical industry is in a constant state of evolution. Food security, the growing population, shrinking arable land, and the need for increased agricultural productivity drive the industry's growth.

The disruption of global supply chains led to the subsequent formation of new partnerships. Another important change observed in our business environment has been the adoption of the 'China Plus One' strategy by global companies. India, with its inherent competitive advantages, is a preferred outsourcing destination for chemicals and is establishing itself as an important component in the innovation value chain for the world. As a result, our established CRAMS business is positioned well on a high-growth trajectory.

As an important player in the agrochemicals industry, we are committed to enhance our capabilities, provide more impetus towards R&D and product development, and expand our portfolio. To achieve this, we are working closely with major chemicals and agrochemicals producers in India and across the world, while looking at delivering attractive and sustainable options to our partners.

Performance Review

We delivered a stellar performance in FY 2021-22 with consolidated revenue growth of 38% Y-o-Y to ₹ 933 crores. Our revenues were driven by growth in existing products and the commercialisation of two new contracts with international clients. Each of these contracts has the potential to generate annualised revenues of ₹ 100 crores and will perform to its full potential in the current year.

EBIDTA soared by 46% to ₹ 140 crores during the financial year with PAT for the year at ₹ 83 crores. The global supply chain disruptions and inflationary pressures impacted our operations during the year. Nevertheless, our EBTIDA margins improved by 90 bps Y-o-Y to 15.1% on account of a higher share of CRAMS business.

The majority of our contracts are long-term with MNCs with an understanding to pass on material price fluctuations to the customers, thus protecting our margins. Further, we are bringing our raw materials sources closer to us to ensure reliability, competitiveness and quality. Further, we identified local producers for some basic raw materials.

The capacity utilisation at our Derabassi, Lalru, and Pune plants was 85%,70% and over 95%, respectively. Our Company continues to deliver a strong return ratio, with Return on Equity at 37% and Return on Capital Employed at 40% in the current financial year.

On the back of this performance, I am happy to report that the Board of Directors have recommended a dividend of 30% (3.00 per equity share) for FY 2021-22.

Strategic Update

We have made advancements in the CRAMS space by identifying huge opportunities and penetrating into different markets and geographies. We are expanding our presence, geographically and in different crops, with new product introduction. Our aim is to become one of the most trusted technical sources for our customers, in the areas of products with continuous innovation, and new processes and technologies. We will continue to grow by way of exclusive tie-ups with reputed patent owners.

About 2/3rd of our portfolio comprises agrochemicals and about 1/3rd of business is in performance chemicals, including intermediates and industrial chemicals. In agrochemicals, growth will be driven by a mix of existing and new products. We have a well established portfolio of more than 10 products in contract manufacturing for MNCs and Indian companies. We are developing new intermediates, which are expected to be commercialised over the next two years. Additionally, we expect growth in existing molecules as our customers have acquired registrations in new areas, as well as expanding market share in existing geographies.

The performance of industrial chemicals division has been exceptional. Doubling over the year, the segment is poised to witness another year of strong performance, based on the visibility we have with our export customers. Intermediates and APIs are also expected to deliver double-digit growth in the coming years.

Overall, new agrochemical product launches, data generation for registrations in the global market, along with market access for REACH compliance for industrial chemicals in Europe, the UK, and Turkey markets will enhance the top and bottom line growth in the medium to long-term.

Outlook

Our target is a revenue of ₹ 1,500 crores over the next two years, based on our order book and contracts. We will strive to increase our EBITDA margins further on the back of new high-value products and investments in new improved and efficient technologies. This journey towards making our CRAMS business bigger will continue as we are in discussions with several global players.

Going forward, we will be broad-basing our product profile. We expect 7-8 products with long-term contracts and registrations that will include 5-6 agrochemical products, and the rest from speciality intermediates, over the next 2-3 years. In intermediates—to be supplied to leading Indian and MNC companies—two molecules are expected to commercialise in FY 2023. We have a contract with a Japanese client that start contributing from FY 2023.

Closing comments

We want to establish ourselves as an industry leader in the CRAMS space and stay committed to providing shared value to the communities we live and operate in. At Punjab Chemicals, we want to be consistent in our work and produce innovative products for agriculture that will ensure sufficient food supply, without any excessive pressure on the environment. Looking forward to FY 2023, our Company is ready to move into its next phase of growth.

I would like to extend my immense gratitude to our customers and our shareholders for their continued support. Without their confidence, achieving our mission to become India's most trusted companies in the CRAMS business would not have been possible.

With best wishes,

Mukesh D Patel
Chairman

KEY PERFORMANCE INDICATORS

Striding on an upward growth trajectory

Profitability

Revenue
(₹ in crores)

FY21-22	**933.46**
FY20-21	678.18
FY19-20	549.56
FY18-19	642.94
FY17-18	495.92

17.1% CAGR

EBITDA
(₹ in crores)

FY21-22	**140.62**
FY20-21	97.33
FY19-20	55.57
FY18-19	64.62
FY17-18	55.88

25.9% CAGR

EBIT
(₹ in crores)

FY21-22	**123.95**
FY20-21	82.47
FY19-20	40.22
FY18-19	46.02
FY17-18	41.94

31.1% CAGR

PAT
(₹ in crores)

FY21-22	**83.46**
FY20-21	49.08
FY19-20	10.75
FY18-19	16.80
FY17-18	17.18

48.4% CAGR

Operating Margin
(%)

FY21-22	**13.27**
FY20-21	12.16
FY19-20	7.32
FY18-19	7.16
FY17-18	8.46

EBITDA Margin
(%)

FY21-22	**15.06**
FY20-21	14.35
FY19-20	10.11
FY18-19	10.05
FY17-18	11.27

PAT Margin
(%)

FY21-22	**8.94**
FY20-21	7.24
FY19-20	1.96
FY18-19	2.61
FY17-18	3.46

Revenue Split
((%) ₹ in crores)

FY21-22	**933.46**
FY20-21	678.18
FY19-20	549.56
FY18-19	642.94
FY17-18	495.92

Revenue Split (%)	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
Domestic	199.62	231.81	206.46	255.61	443.36
Export	296.30	411.13	343.10	422.57	490.10
Total	**495.92**	**642.94**	**549.56**	**678.18**	**933.46**
Domestic	40%	36%	38%	38%	48%
Export	60%	64%	62%	62%	52%*

EPS
(₹)

FY21-22	**68.07**
FY20-21	40.03
FY19-20	8.77
FY18-19	13.70
FY17-18	14.01

Balance Sheet

D/E Ratio
(%)

FY21-22	**1.44**
FY20-21	2.08
FY19-20	2.96
FY18-19	3.08
FY17-18	3.79

ROCE
(%)

FY21-22	**40.29**
FY20-21	34.71
FY19-20	24.14
FY18-19	42.48
FY17-18	27.20

ROE
(%)

FY21-22	**45.09**
FY20-21	40.52
FY19-20	11.40
FY18-19	20.36
FY17-18	25.92

CARING FOR THE PLANET AND PEOPLE

Giving back to the ecosystem

PCCPL firmly believes in contributing to the growth of the people and community it operates in. It strives to go above and beyond the call of regulatory requirements to keep its environment green and safe for the people living and working in it. The Company's Corporate Social Responsibility (CSR) activities are focussed on developing communities in regions where the manufacturing plants are situated.

Nurturing the planet

The Company continually strives to reduce its carbon footprint and preserve natural resources. PCCPL is committed to a clean and healthy environment in and around its manufacturing sites. It has approved Effluent Treatment Plants with incinerators to treat the waste materials in Derabassi and Lalru units. For the disposal of solid waste, it has a tie-up with Common Effluent Treatment Plants close to the manufacturing sites.

In addition, PCCPL sources all materials from sustainable avenues and adopts responsible transportation in the normal course of its business. This is done through a standard operating procedure for approving vendors based on their sustainability.

The Company also tries its best to minimise waste. Not only does this make processes efficient, it also helps contribute to eco-friendly practices. The Company's units are declared as Zero Liquid Discharge units with water being recycled or reused appropriately. The units have achieved 100% wastewater recovery by using it in-house. The unit also recovers 100% of its solvents for in-house utilisation.

PCCPL uses renewable energy and energy efficiency measures in its operations wherever possible. It also continues to enhance its plantation cover within all its premises. Energy audits are conducted and the suggestions received are implemented.

100%
Wastewater Recovery

100%
Solvent Recovery

For its people

PCCPL consistently tries to build a congenial atmosphere for its employees through its policies and initiatives. It appreciates the importance of a clean and safe operational environment. In order to ensure the safety of its employees, the Company conducts internal and external safety audits routinely, including trainings and mock drills.

Towards the Community

PCCPL's CSR efforts are guided towards developing the areas where it has manufacturing sites. Through the year, the Company has continued its earlier endeavours and initiated new ones. From creating better infrastructure in schools through construction of canteens and toilets, painting the school walls, providing projectors, benches, and water coolers to conducting vaccination drives, medical and eye camps, PCCPL has contributed to the development of the regions it has operations in. Moreover, it has made donations to various organisations and constructed outside structures at a cremation ground. Please refer to the Management and Discussion Analysis for detailed CSR section.

Additionally, PCCPL prefers local service providers enabling local economy development for routine manufacturing activities, whenever available. Towards this end, the procurement and technical teams interact with local producers and service providers to avail their services. The teams also guide capacity building of local vendors and service providers by providing methods of improving quality of goods and services provided.

Focus on general welfare

Infrastructure in Schools

Water Dispenser Installed in School under CSR

Safety drill at plant

Vaccination and Medical/Eye Camps

Tree Plantation

Donations for Orphans and Disabled

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

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E-mail: info@punjabchemicals.com; website: www.punjabchemicals.com

NOTICE

NOTICE is hereby given that the 46th Annual General Meeting of the Members of Punjab Chemicals and Crop Protection Limited will be held on Wednesday, the 10th August, 2022 at 10.30 a.m. (IST) through Video Conferencing / Other Audio-Visual Means, to transact the following business:

ORDINARY BUSINESS

To consider and if thought fit to pass the following resolutions as Ordinary resolutions:

Item no. 1 - Adoption of financial statements

To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended 31st March, 2022 and the reports of the Board of Directors ("the Board") 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 31st March, 2022 alongwith Annexures as laid before this Annual General Meeting be and are hereby received, considered, approved and adopted."

Item no. 2 - Declaration of Dividend

To declare a dividend on Equity Shares of the Company for the financial year ended 31st March, 2022.

"RESOLVED that a dividend of ₹3 /- (Three rupees) per equity share (30%) recommended by the Board of Directors be and is hereby declared on the equity shares of ₹10/- (Ten rupees) each fully paid-up of the Company for the year ended 31st March, 2022 and be paid, subject to deduction of tax at source and, in accordance with the provisions of Section 123 and the other applicable provisions, if any of the Companies Act, 2013."

Item no. 3 - Appointment of Mr Avtar Singh as a Director, liable to retire by rotation

To appoint Mr. Avtar Singh (DIN 00063569) as a Director liable to retire by rotation and, being eligible, offers himself for re-appointment.

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Avtar Singh (DIN 00063569), 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. "

Item no. 4 - Reappointment of M/s. B S R & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company

"RESOLVED THAT pursuant to Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the audit committee and the Board of Directors of the Company, M/s. B S R & Co. LLP, Chartered Accountants, Mumbai having ICAI Firm Registration No.101248W/W-100022, who have offered themselves for reappointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the above mentioned Rules, be and are hereby appointed as the Statutory Auditors of the Company for the second term of five consecutive years, who shall hold office from the conclusion of this 46th AGM till the conclusion of the 51st AGM, to be held in the year 2027 at such remuneration as may be determined by the Board of Directors of the Company (including its committees thereof).

RESOLVED FURTHER THAT the Board of Directors of the Company, (including its committees thereof), be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

SPECIAL BUSINESS

Item no. 5 - To revise the terms of remuneration of Mr. Shalil S Shroff (DIN: 00015621), Managing Director.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED that in terms of provisions contained in Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules framed thereunder, including any statutory modifications or re-enactment thereof, and the Articles of Association and on recommendation of the Nomination & Remuneration Committee and the Board of the Directors of the Company and in furtherance of the special resolution passed by way of Postal Ballot dated 28th December, 2020 (Postal Ballot Notice dated 20th November, 2020) and subject to such other approvals as may be necessary, approval of the Members be and is hereby accorded for revision in the terms of remuneration including commission to Mr. Shalil S Shroff, (DIN: 00015621), Managing Director, w.e.f. 1st September, 2022 till the remaining period of his appointment upto 14th January, 2024, notwithstanding that such remuneration, pursuant to Section 197 of the Companies Act, 2013, may exceed 5% but shall not exceed 10% of the Net Profit of the Company computed as per the provisions of Section 198 of the Act, and Minimum Remuneration in the event of inadequacy or absence of profits during the financial year, as set out in "Annexure 1" of the explanatory statement comprising salary, perquisites and benefits to be paid to the Managing Director, as approved by the Board of Directors.

RESOLVED FURTHER that the Board (which will include its committee thereof) be and is hereby authorised to vary and / or revise the remuneration of Mr. Shalil S Shroff, Managing Director as set out in the revised terms of remuneration in the Explanatory Statement.

RESOLVED FURTHER that save and except as aforesaid, all other existing terms and conditions of reappointment of Mr. Shalil S Shroff passed by way of Postal Ballot dated 28th December, 2020 (Postal Ballot Notice dated 20th November, 2020) shall continue to remain in full force and effect.

RESOLVED FURTHER that the Board (which will include its committee thereof) be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings including filing of forms with the Registrar of Companies as may be required to give effect to the aforesaid Resolution."

Item no. 6 - To ratify the remuneration payable to the Cost Auditors of the Company for the financial year ending 31st March, 2023.

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 recommendation of the Audit Committee and as proposed by the Board of Directors, consent of the Members be and is hereby accorded for the payment of remuneration of ₹ 1,80,000 /- (Rupees One lakh Eighty Thousand only) plus applicable taxes 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 2022-2023.

Notes

1. The Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the business under Item No. 4, 5 & 6 of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Director seeking re-appointment at this AGM is also annexed.

2. Pursuant to the General Circulars 2/2022 and 19/2021, other circulars issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 issued by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.

   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, SEBI Circulars, the AGM of the Company is being held through VC / OAVM on Wednesday, the 10th August, 2022 at 10:30 a.m. (IST). The deemed venue for the meeting shall be the 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 a first come first serve basis. However, the above

Notice

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 scheduled time of meeting and the 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.

8. The Register of Directors and Key Managerial Personnel 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 inspect, may send their request through an email at investorhelp@punjabchemicals.com up to the date of AGM.

9. In line with the MCA Circulars the Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. The Notice convening the 46th 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.

10. **Book Closure and Dividend**

i) The Register of Members and the Share Transfer Books of the Company will be closed **from Wednesday, the 3rd August, 2022 till Wednesday, the 10th August, 2022 (Both days inclusive)**. The dividend of ₹3/- (Rupees three only) per equity share of ₹10 each (i.e. 30%), if declared by the Members at the AGM, will be paid subject to deduction of income-tax at source ('TDS'), wherever applicable within the time limit prescribed under Companies Act, 2013 and SEBI Listing Regulations as under:

   a. To all the Beneficial Owners as at the end of the day on Tuesday, the 2nd August, 2022 as per the list of beneficial owners to be furnished by the National Securities Depository Limited ("NSDL")and Central Depository Services (India) Limited ("CDSL") 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 on or before the close of business hours on Tuesday, the 2nd August, 2022.

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, the 25th July, 2022.

A communication providing information and detailed instructions with respect to tax on the dividend for the financial year ended 31st March, 2022 is being sent separately to the Members whose email addresses are registered with the Company/DPs.

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 Friday, the 29th July, 2022:

   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:

      - 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 dispatched 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 ₹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 2021-2022, 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 & 2020-21 are requested to claim the same without any delay.

11. In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, the Company has stopped accepting any fresh transfer requests for securities held in physical form. Members holding shares of the Company in physical form are requested to get their shares converted into demat/electronic form to get inherent benefits of dematerialisation.

Further, Members may please note that SEBI vide its Circular dated 25th January, 2022 mandated listed companies to issue securities in demat form only while processing any service requests viz. issue of duplicate securities certificate; claim from Unclaimed Suspense Account; renewal/exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the website of the Company at www.punjabchemicals.com.

Notice

12. 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, KYC details and nomination by holders of physical securities by 31st March, 2023, and linking PAN with Aadhaar by 31st March, 2022 vide its circular dated 3rd November, 2021 and 15th December, 2021. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's registrars Alankit Assignments Limited at rta@alankit.com. The forms for updating the same are available at www.punjabchemicals.com. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s).In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, the registrar is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31st December, 2025, the registrar / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

13. 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 submitting Form SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14 as the case may be. The said forms can be downloaded from the website of the Company at www.punjabchemicals.com. Members are requested to submit the requisite form to their DPs in case the shares are held in electronic form and to the Registrar in case the shares are held in physical form, quoting their folio no.

14. 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.

15. (i) Members who wish to inspect the relevant documents referred to in the Notice can send an email 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 Monday, the 1st August, 2022 through email on investorhelp@punjabchemicals.com. The same will be replied by the Company suitably.

16. 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-** Requested to 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 Company: investorhelp@punjabchemicals.com or rta@alankit.com.

b) **For Members holding Shares in Demat form -** Requested to provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card to Company: investorhelp@punjabchemicals.com or rta@alankit.com on or before 5.00 p.m. (IST) on Monday, the 1st August, 2022.

c) In terms of SEBI circular dated 9th December, 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.

17. 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 arrangement 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 3rd August, 2022 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. 3rd August, 2022, may obtain the User ID and Password by sending a request at investorhelp@punjabchemicals.com.

III. The remote e-Voting period commences on Friday, the 5th August, 2022 at 9.00 a.m. (IST) and ends on Tuesday, the 9th August, 2022 at 5.00 p.m. (IST). The remote e-Voting module shall be disabled by CDSL for voting thereafter. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to 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. Wednesday, the 3rd August, 2022.

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 who 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 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 9th December, 2020, under Regulation 44 of the Listing Regulations, listed companies are required to provide remote e-voting facility to its members in respect of all members' 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 9th December, 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.

Notice

Pursuant to the aforesaid SEBI Circular dated 9th December, 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 the 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 the company. On clicking the e-voting option, the user will be able to see the 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, the option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access the 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, users 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 the NSDL IDeAS facility, please visit the e-Services website of NSDL. Open a 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 the 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, the 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 a 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 the 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 the NSDL Depository site wherein you can see the 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 options. Once you click on the e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see the 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 Forget User ID and Forget Password option available at abovementioned websites.

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). • Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by the Company / RTA or contact Company / RTA.
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.

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

Notice

to the Resolution and option NO implies that you dissent to the Resolution.

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 the 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 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 date of 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.

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.

18. 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. Wednesday, 10th August 2022.

By order of the Board of Directors

V Srinivas
Company Secretary

Date: 5th May, 2022

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

Notice

EXPLANATORY STATEMENT IN RESPECT OF THE BUSINESSES PURSUANT TO SECTION 102 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

This Explanatory Statement is provided pursuant to Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). However, the same is strictly not required as per Section 102 of the Act.

In accordance with Sections 139 and 142 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Members of the Company had, at the 41st Annual General Meeting ('AGM') held on 14th September, 2017, appointed M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) ('B S R & Co.') as the Statutory Auditors of the Company for a period of five (5) consecutive years from the conclusion of the 41st AGM till the conclusion of the 46th AGM of the Company.

Pursuant to the provisions of Section 139 of the Act, no listed company can appoint/re-appoint an audit firm as a Statutory Auditor for more than two terms of five (5) consecutive years and accordingly, M/s. B S R & Co. is eligible to be re-appointed as the Statutory Auditor of the Company for another term of five (5) consecutive years.

The Board of Directors of the Company, at its meeting held on 5th May, 2022, on the recommendation of the Audit Committee has, after considering and evaluating various proposals and factors such as independence, industry experience, technical skills, geographical presence, audit team, audit quality reports, etc. recommended the re-appointment of M/s. B S R & Co. as the Statutory Auditors of the Company, to the Members at the ensuing AGM for a second term of five (5) consecutive years from the conclusion of this AGM till the conclusion of the 51st AGM of the Company to be held in the year 2027, to examine and audit the accounts of the Company at such remuneration, including applicable taxes and reimbursement of out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors, on the recommendation of the Audit Committee from time to time.

M/s. B S R & Co. is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI) based in Mumbai. M/s. B S R & Co. was constituted on 27th March, 1990 as a partnership firm having Firm Registration No. as 101248W which was converted into limited liability partnership on 14th October, 2013 thereby having a new Firm Registration No. 101248W/W-100022. B S R & Co. is a member entity of B S R & Affiliates, a network registered with ICAI. B S R & Co. audits various companies listed on stock exchanges in India.

As required under the SEBI Listing Regulations,M/s. B S R & Co. holds a valid certificate issued by the Peer Review Board of ICAI. B S R & Co. has consented to its re-appointment as Statutory Auditors and has confirmed that their re-appointment, if made, shall be in accordance with Sections 139, 141 and other applicable provisions of the Act and rules framed thereunder.

Based on the recommendation of the Audit Committee, the Board commends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members of the Company.

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

Item No. 5

The Members of the Company by way of Postal Ballot dated 28th December, 2020 (Postal Ballot Notice dated 20th November, 2020) had approved the reappointment and the remuneration of Mr. Shalil S Shroff as the Managing Director of the Company effective from 15th January, 2021 for a period of three years up to 14th January, 2024. Further the members had authorized the Board to alter and vary the terms and conditions including remuneration and incremental thereof from time to time. But, such remuneration payable shall be within the limits specified in the Section 197 and other applicable provisions of the Companies Act, 2013 ["Act"]. As per Section-197 & other applicable provisions of the Act the remuneration payable to any one Managing Director/ Whole-Time Director/ Manager shall not exceed 5% of the Net Profits of the Company & if there is more than one such Director remuneration shall not exceed 10% of the Net Profits to all such Director and Manager taken together.

The revised terms of remuneration

The Board of Directors at their meeting held on 5th May 2022, deliberated and has accorded their approval, subject to approval of members of the Company by way of Special Resolution, for revision in the terms of remuneration including commission to Mr. Shalil S Shroff, (DIN: 00015621), Managing Director, w.e.f. 1st September, 2022 till the remaining period of his appointment upto 14th January, 2024, pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules framed thereunder, including any statutory modifications or re-enactment thereof, and the Articles of Association and in furtherance of the special resolution passed by way of Postal Ballot dated 28th December, 2020 (Postal Ballot Notice dated 20th November, 2020), notwithstanding that such remuneration may exceed 5% but shall not exceed 10% of the Net Profit of the Company computed as per the provisions of Section 198 of the Act.

The Nomination and Remuneration Committee at its meeting held earlier that day also approved the same on the basis of his performance evaluation, skills, experience and knowledge resulting in sustained profitability numbers owing to his leadership team and considering various parameters which, inter alia, includes, the scale of operations of the Company and his increased involvement and role for the overall growth of the Company especially in respect of introduction of new products, streamlining the production capacities of existing units, exploring new domestic and overseas markets, deeper penetration of existing markets and enhancing brand value through various initiatives etc. with a view to ensure objectivity in determining the remuneration package as well as maintaining a balance between interest of the company and shareholders.

In accordance with Section 197 of Companies Act, 2013 ["Act"] and other applicable provisions of the Act approval of members by way of special resolution is required to pay remuneration to Managing Director exceeding the 5% of the Net Profits of the Company. Accordingly approval of members is being sought by way of special resolution for payment of remuneration to Managing Director in excess of prescribed limits of 5% of Net Profits of the Company. There is no other Managing Director/Whole-Time Director/Manager of the Company as on date.

Accordingly the Board (which include its committee thereof) amending the existing terms of remuneration as approved by way of special resolution through Postal Ballot dated 28th December, 2020 (Postal Ballot Notice dated 20th November, 2020), shall be authorised to decide / vary / revise the terms of remuneration including salary, commission and perquisites, other terms as well as the minimum remuneration effective from 1st September 2022 upto 14th January 2024.

The other terms of reappointment as Managing Director shall continue to remain in full force and effect.

As per the applicable provisions of the Schedule V of the Companies Act, 2013, the Company in the event of inadequacy or absence of profits may pay remuneration to Mr. Shalil S Shroff, Managing Director w.e.f. 1st September, 2022 for the remaining period of his appointment till 14th January, 2024 as under:

Annexure 1 – Recommended by Nomination and Remuneration Committee and approved by the Board of Directors.

Sr. No.	Particulars	Remuneration for the period From 1st September, 2022 upto 31st March 2023	Remuneration for the period From 1st April, 2023 upto 14th January, 2024
1.	**Basic Salary:**	₹9,70,875 per month with such increases as may be determined by the Board of Directors of the Company from time to time as per the Rules of the Company.	₹10,92,000 per month with such increases as may be determined by the Board of Directors of the Company from time to time as per the Rules of the Company.
2.	**Perquisites:**	1. The Perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, electricity, water, furnishings and repairs; medical reimbursement, leave travel concession for the Appointee and the family, club fees, medical insurance, etc. in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Appointee. All perquisites for each year not to exceed the annual salary of the Appointee. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. 2. The provision of Company's car and telephone at the residence for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceiling. 3. The Appointee shall be entitled for the following perquisites which shall not be included in the computation of the ceiling on remuneration: i. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income Tax Act. ii. Gratuity payable as per the rules of the Company. iii. Encashment of leave at the end of his tenure as per the rules of the Company and as applicable to the senior executives.	

Notice

Sr. No.	Particulars	Remuneration for the period From 1st September, 2022 upto 31st March 2023	Remuneration for the period From 1st April, 2023 upto 14th January, 2024
3.	Other Terms:	a) Leave: On full pay and allowance, as per the rules of the Company but not exceeding one month's leave for every 11 months of service. b) Reimbursement of entertainment and/or travelling, hotel and other expenses actually incurred in performance of duties. c) The appointment may be terminated by either party giving to the other party ninety days' notice in writing or such shorter notice as may be mutually agreed between the Appointee and the Company. d) In the event of any dispute or difference arising at any time between Mr. Shalil S Shroff and the Company in respect of the terms of his appointment or the construction thereof, the same will be submitted to and be decided by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.	
4.	Minimum Remuneration:	If, in any financial year, the Company has no profits or its profits are inadequate, then in such event, the remuneration by way of salary and perquisites as specified above will be paid as the Minimum Remuneration as provided in Schedule V of the Companies Act, 2013 Part II, Section II, [A]* proviso "The remuneration in excess of the limits provided under [A] may be paid."	

The remuneration to be paid to the Managing Director may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of Company and/or the Nomination and Remuneration Committee of the Company as set out above.

Additional information required to be disclosed in terms of the provisions of Schedule V of the Companies Act, 2013 form part of this Notice.

None of the Directors, except Mr Shalil S Shroff himself and Capt. Surjit Singh Chopra (Retd.), being a relative of Mr Shalil S Shroff, or any Key Managerial Personnel or their relatives, are, in any way, concerned or interested, financially or otherwise, in the Special Resolution as set out at Item no. 5 of the Notice except to the extent of their shareholding, if any, in the Company.

Pursuant to the recommendations of Nomination and Remuneration Committee, Audit Committee, your Directors recommend the Special Resolution set out at Item No. 5 of the Notice for approval of the Members.

Item No. 6

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 2022-2023 on a consolidated remuneration of ₹1,80,000 /- (Rupees One Lakh Eighty 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. 6 of the Notice for approval / ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2023.

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. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval of the members.

By order of the Board of Directors

V Srinivas
Company Secretary

Date: 5th May, 2022

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

ADDITIONAL INFORMATION ON DIRECTOR 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	Mr. Avtar Singh
DIN	00063569
Date of Birth	4th October, 1958
Age	63 Years
Date of first appointment	14th November, 1996
Qualifications	B.Sc from Panjab University, Chandigarh
Expertise in specific functional areas	He has overall experience of about 42 years in manufacturing Chemicals, Pharmaceuticals and Agrochemicals in the Company. He was Director (Operations & Business Development) of the Company till 30th September, 2021 and was re-designated as the Non-Executive Non-Independent Director of the Company w.e.f. 1st October, 2021. He had successfully launched many products and gained expertise on various processes, chemistry and product development while working on various projects in the Company. He has great knowledge and experience in Quality Control, R&D, New Product Development and commencement of the commercial production of new products.
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	Transpek Industry Limited Saurav Chemicals Limited TML Industries Limited
Membership of Committees/ Chairmanship in other Public Limited Companies	**Transpek Industry Limited** Finance and Capex Committee Member **TML Industries Limited** Nomination & Remuneration Committee Member Share Transfer Committee Member **Saurav Chemicals Limited** Audit Committee Member CSR Committee Member Nomination & Remuneration Committee Member Independent Director Committee Member
No. of Board Meeting attended during the year 2021-22	Five Board Meetings (5)
No. of shares held	7011
Relationships between Directors inter-se	No
Terms and conditions of appointment or re-appointment	Non Executive Non Independent Director liable to retire by rotation.
Remuneration last drawn (including Sitting fees, if any)	The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2021-22 of the Company.

Notice

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION

1)	Nature of industry:	Manufacturers and dealers in Performance Chemicals including AgroChemicals, Specialty Chemicals and Industrial Chemicals.
2)	Date or expected date of commencement of commercial production:	In production since 1978
3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable
4)	Financial performance based on given indicators Basis:	(₹ In lakh)

	Consolidated		Standalone	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Revenue from Operations and Other Income	93439	68001	93129	67736
Earnings before Interest, Depreciation & Tax & Exceptional item (EBIDTA)	14062	9733	13908	9529
Profit / (Loss) before Tax (PBT)	11161	6901	11042	6811
Profit / (Loss) after Tax (PAT)	8346	4908	8082	5054
Other Comprehensive income / (expense) for the year (net of tax)	8	(46)	(47)	57
Total comprehensive income for the year	8354	4862	8035	5111
Earnings per share (EPS)	68.07	40.03	65.92	41.22

5)	Foreign investments or collaborations, if any:	The Company has a wholly owned overseas subsidiary Company namely SD AgChem (Europe) NV, Belgium.

II. INFORMATION ABOUT THE APPOINTEE

	Mr. Shalil S Shroff
Background details.	Mr. Shalil S Shroff, aged 58 years, having Management Diploma from the University of Deopage – USA, is the Promoter of the Company. He has working experience of more than 30 years. He has been associated with the Company since 1992 and worked at various levels. After successful training and handling of various corporate affairs, he was appointed as the Executive Director of the Company w.e.f. 15th January, 1998. He was elevated to the position of Managing Director in 2003. His prime responsibility includes overall management and handling of all affairs of the Company under the superintendence and control of the Board of Directors. He is directly looking after Export marketing, general administration, liaisoning with Financial Institutions, new customers, exploring new products and public relations. He is fully involved in the overall working of the Company including supervising the fund flow and cash management. Presently, he is on the Board of Hem-Sil Trading & Manufacturing Pvt. Ltd., SD Agchem (Europe) N.V., SSRS Trading & Manufacturing Pvt. Ltd. and Scarlett Enterprises Pvt, Ltd.

Past Remuneration	2021-22 (₹ in lakh)	2020-21 (₹ in lakh)
Total Annual Salary	320.36	232.32

Recognition or Awards	The Company has received the following awards: A. State Award for Export Promotion in the Year 1990-91. B. Export House Recognition in the year 1999. C. Punjab State Safety Award in the year 2002. D. 2nd Chemexcil Award on Export performance for the year 2000-01. E. Chemexcil Gold Award for the outstanding export performance of Inorganic and Organic Chemicals during 2005-06. F. Export Excellence Award from Pesticides Manufacturers & Formulators Association of India (PMFAI) during 2021-2022.
Job Profile and his suitability.	He is responsible for the overall management of the Company under the superintendence and control of the Board of Directors of the Company. He has been actively involved in the affairs of the Company and has played a key role in the growth of the Company. His experience of international marketing and knowledge in the agrochemical industry in which the Company is operating is an important requisite for conducting the affairs of the Company and continuity in the existing business.
Remuneration proposed	As stated in the Explanatory Statement of item no. 6.
Comparative remuneration profile w.r.t. industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).	The remuneration proposed to be paid to Mr Shalil S Shroff, Managing Director, by the Board of Directors in consultation with the Nomination and Remuneration Committee of the Company is in tune with the remuneration in similar sized companies in the same segment of business. The proposed remuneration compares favourably with that being offered to similarly qualified and experienced professional in the industry with an entrepreneurial background. The remuneration being proposed is considered to be appropriate, having regard to the factors such as experience, position held, contribution to the growth of the Company, its business and profitability.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Other than the remuneration stated above, he has no other pecuniary relationship, either directly or indirectly, with the Company, except that he is a Promoter of the Company holding along with his associates and relatives 39.22% of the Paid-up Equity Share Capital of the Company, as on 31st March, 2022 whereas individually he is holding 2,30,581 equity shares (1.88%) of the Company. He is also related to Capt. Surjit Singh Chopra (Retd.), who is a Director on the Board of the Company.

III. OTHER INFORMATION

(1)	Reasons of loss or inadequate profits.	The Company is passing a Special Resolution pursuant to the proviso to the sub-section (1) of Section 197 of the Companies Act, 2013 and as a matter of abundant precaution, as the profitability of the Company may be adversely impacted in future due to business environment during the period for which remuneration is payable to Mr. Shalil S Shroff i.e. till 14th January, 2024.
(2)	Steps taken or proposed to be taken for improvement.	The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in the present position. The Company has also strategically planned to address the issue of productivity and increase profits and has put in place measures to reduce cost and improve the bottom-line. The Company continues to maintain Environment, Health, Safety (EHS) standards at the international levels. The Company is therefore optimistic of making substantial strides in developing this business segment and developing new products.
(3)	Expected increase in productivity and profits in measurable terms.	The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.
(4)	Disclosures	The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2021-22 of the Company.

BOARD'S REPORT

To The Members,

Your Directors have pleasure in presenting the 46th 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, 2022.

1. FINANCIAL RESULTS

The financial performance of the Company for the year ended March 31, 2022 is summarised below:

(₹ In lakh)

Particulars	Consolidated*		Standalone	
	2021-2022	2020-2021	2021-2022	2020-2021
Revenue from Operations and Other Income	93439	68001	93129	67736
Earnings before Interest, Depreciation & Tax & Exceptional item (EBIDTA)	**14062**	**9733**	**13908**	**9529**
Depreciation / Amortisation	1667	1486	1667	1486
Finance Cost	1234	1346	1199	1232
Profit / (Loss) before Tax & Exceptional item	**11161**	**6901**	**11042**	**6811**
Profit / (Loss) before Tax (PBT)	**11161**	**6901**	**11042**	**6811**
Income Tax Expenses:				
Current Tax	2695	1551	2840	1315
Deferred Tax	120	442	120	442
Total Income Tax Expenses	**2815**	**1993**	**2960**	**1757**
Profit / (Loss) after Tax (PAT)	**8346**	**4908**	**8082**	**5054**
Other Comprehensive income / (expense) for the year (net of tax)	8	(46)	(47)	57
Total comprehensive income for the year	**8354**	**4862**	**8035**	**5111**
Earnings per share (EPS) Basic and diluted (in ₹)	68.07	40.03	65.92	41.22
Reserves (excluding Revaluation reserve)	**21336**	**13227**	**22941**	**15151**

2. OPERATIONAL PERFORMANCE:

Your Directors are pleased to state that the year under review ended with the total income of the Company on standalone basis at ₹ 931 crore with a highest ever Profit before Tax (PBT) of ₹ 110 crore against the income of ₹ 677 crore and Profit before Tax of ₹ 68 crore in the previous year.

Your Company has been successful in increasing profitability by optimizing the product mix and improving production efficiency. This has resulted in an increase of PBT by 62%. As in the past, the maximum sales was from AgroChemicals Division, Derabassi with net revenue of ₹ 664 crore against ₹ 501 crore of previous year which is 71% of the total revenue. The revenue of Specialty and Other Chemicals Division, Lalru was at ₹ 156 crore against ₹ 124 crore of previous year. Industrial Chemical Division Pune recorded a revenue of ₹ 111 crore against ₹ 52 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 Export of the Company was ₹ 487 crore against ₹ 421 crore of the last year, which is up by 16%. It is a matter of satisfaction that the Company continues to meet the requirement of all the customers as per their satisfaction.

3. SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES

As on March 31, 2022, the Company has only one wholly owned overseas subsidiary namely SD AgChem (Europe) NV, Belgium. The total income of SD Agchem (Europe) NV was ₹ 12.58 crore with profit before tax of ₹ 1.45 crore as compared to the Income of ₹ 11.36 crore with net profit of ₹ 0.81 crore in the previous year.

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 forms part of this Report.

4. CONSOLIDATED FINANCIAL STATEMENT

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements for the year ended March 31, 2022 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.

The consolidated financial statements of the Company for the year ended on March 31, 2022 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 ₹ 934 crore with a profit before tax of ₹ 112 crore against ₹ 680 crore and profit before tax of ₹ 69 crore in the previous year.

5. DIVIDEND

The Board of Directors are pleased to recommend a dividend of ₹ 3 per equity share (30%) for the financial year under review against a dividend of ₹ 2 per equity shares (20%) in the previous year.

The total dividend amount to be paid for the financial year 2021-2022 shall be ₹ 367.87 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 Wednesday, the 3rd August, 2022 to Wednesday, the 10th August, 2022 (both days inclusive) and the record date will be 3rd August, 2022 for the purpose of payment of dividend for the financial year 2021- 2022.

The dividend recommended is in line with the dividend distribution policy of the Company and the policy is available on the website of the Company at https://www.punjabchemicals.com/wp-content/uploads/2021/05/Dividend-Distribution-Policy.pdf.

6. OUTLOOK

The Chemical sector, including Performance Chemicals, Agrochemicals and Speciality Chemicals, is poised for exponential growth over next few years. Demand is growing and new applications are emerging. This coupled with rebalancing of global supply chain offers a unique opportunity for India as a country and several global MNCs are looking to expand their presence in India.

As your Company has a long and proven history for manufacturing and exporting various Performance Chemicals (Agro and Speciality), - it stands the chance to increase the volume and add new products under CRAMS or for outright sale. Your company has started discussions with several big companies to explore such options and are also working to strengthen R&D technical capabilities to cater to these new business opportunities. The Company has long association with several leading global players and is working to strengthen this relationship with new products and increased business.

The Company is in constructive efforts with a wide range of companies, products and new manufacturing techniques. The management has a positive outlook, is putting together processes and systems in place for future growth and building new team with a high level of confidence.

7. FINANCE

a. Share Capital

The paid up Equity Share Capital as at March 31, 2022 stood at ₹ 12.26 crore consisting of 1,22,62,185 equity shares of ₹ 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, 2022. The Company has not issued or outstanding any instrument convertible into Equity Shares of the Company during the Financial year.

b. Public Deposits

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and

Board's Report

The Companies (Acceptance of Deposits) Rules, 2014.

c. 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 and 46 to the Standalone and Consolidated Financial Statements respectively.

d. Transfer to 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.

e. Credit Rating

As on March 31, 2022, your Company has received CARE BBB+ (Triple B Plus; Outlook: Stable) for Long Term Bank Facilities and A2 for Short Term Bank Facilities.

8. ENVIRONMENT, SUSTAINABILITY, 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 an 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.

9. RESEARCH & DEVELOPMENT AND QUALITY CONTROL

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

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

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 forms part of this Report.

11. 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 Mr. S.D. Shroff on 18th December every year. 118 employees donated blood this year.

ii) Corporate Social Responsibility

Company undertakes various CSR activities in and around the Derabassi and Lalru area as well as other cities. 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 ₹ 75.67 lakh on CSR activities. The Company has spent ₹ 75.94 lakh in the financial year 2021-2022. 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 forms part of this Report.

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

12. 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 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 employees a secure and 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 and no person was denied access to the Audit Committee.

13. INTERNAL FINANCIAL CONTROLS

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

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.

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 access to the Chairman of the Audit Committee.

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.

14. RISK MANAGEMENT

Pursuant to Schedule V of SEBI (LODR) Regulation, 2015, the Company has constituted a Risk Management 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.

The key features include building an organisation-wide awareness of risks across businesses and corporate functions; developing formal reporting and monitoring processes; developing risk management plans to keep the information updated and refreshed; and deploying an ERM framework in key business areas and corporate functions.

15. RELATED PARTY TRANSACTIONS

All related party transactions entered into during the year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure of related party transactions in Form AOC-2 is not applicable.

Prior omnibus approval of the Audit Committee is obtained for related party transactions which are repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed on a quarterly basis by the Audit Committee.

Detailed disclosure on related party transactions as per Ind AS-24 containing name of the related party and details of the transactions entered with such related party have been provided under Notes to financial statements.

Disclosure on related party transactions on half year basis is also submitted to the stock exchanges. The policy on related party transactions as approved by the Board is available on the website of the Company at http://www.punjabchemicals.com/wp-content/uploads/2019/08/Related-Party-policy.pdf.

16. INSURANCE

All the properties and operations of the Company, to its best judgment have been adequately insured.

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

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators or Courts which impacts the Company's ability to continue as a going concern.

18. AUDIT REPORTS AND AUDITORS

a. STATUTORY AUDITORS

Under Section 139(2) of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years and each such term would require approval of the shareholders. In line with the requirements of the Companies Act, 2013, M/s. B S R & Co. LLP Chartered Accountants, (Firm Registration No. 101248W/W- 100022), were appointed as the Statutory Auditors of the Company at the 41st AGM held on 14th September, 2017 to hold office from the conclusion of the said meeting till the conclusion of the 46th AGM to be held in the year 2022. The term of office of M/s. B S R & Co. LLP Chartered Accountants, (Firm Registration No. 101248W/W- 100022), as the Statutory Auditors of the Company will conclude from the close of the forthcoming AGM of the Company.

The Board of Directors of the Company, based on the recommendation of the audit committee, at its meeting held on May 5, 2022, have recommended the reappointed M/s B S R & Co. LLP Chartered Accountants, (Firm Registration No. 101248W/W- 100022), as the Statutory Auditors of the Company to hold office for a second term of five consecutive years from the conclusion of the 46th AGM till the conclusion of the 51st AGM and will be placed for the approval of the shareholders at the ensuing AGM. The Statutory Auditors have confirmed that they satisfy the independence criteria required under the Companies Act, 2013.

The Board recommends their reappointment to the shareholders. The notice convening the 46th AGM to be held on August 10, 2022 sets out the details.

There are no instances of any fraud reported by the statutory auditor to the Audit Committee or the Board pursuant to section 143(12) of the Act. The Auditor's Report on standalone and consolidated financial statements forms part of the Annual Report and contains an Unmodified Opinion without any qualification, reservation or adverse remark.

b. SECRETARIAL AUDITORS

Pursuant to section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. P.S. Dua & Associates, Company Secretaries (CP No. 3934), to conduct secretarial audit for the financial year 2021-22. The report of the Secretarial Auditor for the financial year 2021-22 is unmodified and does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report for the financial year 2021-2022 forms part of this Report.

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.

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 2020-2021 was filed with the Ministry of Corporate Affairs and the Cost Audit Report for the financial year 2021-2022 will be filed before the due date.

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Independent Directors

As on March 31, 2022, the Company has four Independent Directors on its Board, including a Woman Independent Director. Mr. Mukesh D Patel (DIN:00009605), Mr. Vijay D Rai (DIN:00075837), Mr. Sheo Prasad Singh (DIN:06493455) and Ms. Aruna R Bhinge (DIN:07474950), The 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) Regulations, 2015. They have also given declaration for compliance with the Code for Independent Directors prescribed in Schedule IV to the Act. During the year there is no change in the Independent Directors.

b) Retirement by Rotation

As per the provisions of the Companies Act, 2013, Mr. Avtar Singh (DIN No. 00063569), the Non-Executive and Non-Independent Director, whose office is liable to retire at the ensuing AGM, being eligible, seeks reappointment. Based on performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board recommends his reappointment. The notice convening the 46th AGM, to be held on August 10, 2022, sets out the details.

c) Relationship / Transaction with Company

The Directors of the Company had no pecuniary relationship or transactions with the Company except as mentioned in Note no. 42 of the Standalone and Consolidated Financial Statements.

Details and brief resume of the Director seeking reappointment 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.

d) 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 2021-2022, the Board met 5 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.

e) Board Evaluation

Pursuant to the provisions of Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the evaluation process for performance of the Board, its various committees, individual directors and the Chairman of the Board was carried out during the year.

Each director was provided a questionnaire to be filled up providing feedback on the overall functioning of the Board, its Committees and contribution of individual directors. The questionnaire covered various parameters such as structure of the Board/Committees, board meeting practices, overall board effectiveness, attendance/ participation of directors in the meetings, etc. The directors were also asked to provide their suggestions for areas of improvement to ensure higher degree of engagement with the management.

The Independent Directors during the year, completed evaluation of Non-independent/ Non-promoter Directors and the entire Board including the Chairman. The Independent Directors expressed satisfaction on overall functioning of the Board, various committees as well as the directors of the Company. They appreciated the knowledge and expertise of the Chairman and his exemplary leadership qualities which demonstrate positive attributes in following the highest standards of corporate values and culture of the Company.

The Board also discussed the report of performance evaluation and its outcome.

f) 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/2022/03/Familiarization-Programme-2021-2022.pdf

g) 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 Management 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.

h) Key Managerial Personnel ('KMP')

During the year, Mr. Punit K Abrol, superannuated from his position of Company Secretary & Compliance Officer with effect from December 31, 2021. Mr. V Srinivas was appointed as Company Secretary & Compliance Officer of the Company with effect from January 27, 2022.

As on March 31, 2022, the Company has the following Key Managerial Personnel as per section 2(51) of the Act:

- Mr. Shalil S Shroff, Managing Director
- Mr. Vinod K Gupta, Chief Executive Officer
- Dr. Sriram Swaminathan, Chief Financial Officer
- Mr. V Srinivas, Company Secretary and Compliance Officer
- Mr. Jain Parkash, Sr. V.P. (Works)

20. 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 2022, the Board consists of 8 Members, 1 of whom is Executive Director, 3 Non Executive Non Independent Directors, 4 Independent Directors. The requirement of reconstitution of the Board is evaluated from time to time. The 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.

21. 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 is transparent, healthy and cordial.

The Welfare Schemes viz. preventive health check up, medical facilities in the factory premises, are used extensively by all categories of the employees. The Company organises sports events for the employees for a 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 person 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 forms part of this report.

22. 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 2022, no complaints pertaining to sexual harassment was received by the Company.

23. 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, 2022, 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, 2022 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.

24. MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE REPORT, BUSINESS RESPONSIBILITY REPORT

(i) Management Discussion and Analysis

In terms of Regulation 34 (2) (e) of the SEBI (LODR) 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.

(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 an 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.

Board's Report

(iii) BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015, "Business Responsibility Report" (BRR) forms part of this Report.

25. COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India relating to the meetings of the Board and General Meetings.

26. ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013, a copy of the draft Annual Return as on March 31, 2022 has been placed on the website of the Company and the web link of such Annual Return is https://www.punjabchemicals.com/wp-content/uploads/2022/06/AnnualReturnPCCPL2022.pdf.

27. EVENTS AFTER BALANCE SHEET DATE

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the balance sheet relates and the date of this Report.

28. OTHER DISCLOSURES

1. There was no change in the nature of business of the Company as stipulated under sub-rule 5(ii) of Rule 8 of Companies (Accounts) Rules, 2014.
2. There is no application made or proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the financial year 2021-22.
3. There was no instance of one-time settlement with any Bank or Financial Institution.
4. 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.

29. 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 (LODR) Regulations, 2015.

30. ACKNOWLEDGEMENT

The Board of Directors wish to place on record its deep sense of appreciation for the committed services by all the employees of the Company. The Board of Directors would also like to express their sincere appreciation for the assistance and cooperation received from the financial institutions, Banks, Government authorities, customers, vendors and members during the year under review.

31. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include: global and domestic demand and supply conditions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country, and other factors which are material to the business operations of the Company.

For and on behalf of the Board of Directors

Mukesh D Patel
Chairman
DIN: 00009605

Date: 5th May, 2022
Place: Mumbai

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

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 31.03.2022	84.60	86.10
4.	Share capital	7000	7000
5.	Reserves & Surplus	(8649)	(8967)
6.	Total Assets	223	22
7.	Total Liabilities	1872	1989
8.	Investments	-	-
9.	Turnover	1258	1136
10.	Profit before Taxation	145	81
11.	Tax Expenses		
	Adjustment of tax relating to earlier periods	(144)	236
	Deferred tax	-	-
12.	Profit after Taxation	289	(155)
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	

Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

[Pursuant to Section 135 of The Companies Act, 2013 Read With Companies (Corporate Social Responsibility Policy) Rules, 2014, as Amended.]

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 sustainable 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

S. 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.	Mr. Mukesh D Patel	Chairman cum Independent Director	1	1
2.	Mr. Shalil S Shroff	Managing Director	1	1
3.	Capt. Surjit Singh Chopra (Retd.)	Non Executive Non Independent Director	1	1
4.	Ms. Aruna R 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 ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		NIL	

6. Average net profit of the Company as per section 135 (5) ₹ 3,783 Lakh

7. a) Two percent of the average net profit of the Company as per section 135 ₹ 75.67 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 Nil

d) Total CSR obligation for the financial year (7a + 7b +7c) ₹ 75.67 Lakh

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

Total Amount spent for the Financial year (in ₹)	Amount Unspent (in ₹)			
	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
		NIL		

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

S. 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: State / District	Amount Spent for the Project - in ₹	Mode of Implementation - Direct Y/ No	Mode of Implementation - through Implementation Agency - Y/No
				NIL				

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

S. 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: State / District	Amount Spent for the Project - ₹ in lakh	Mode of Implementation - Direct Y/ No	Mode of Implementation - through Implementation Agency - Y/No
1.	Construction and Painting Work at Government School, Village Sanauli.	NA	ii	Yes	Punjab, Mohali	2.85	Direct	NA
2.	Supply of 200 Benches in Govt. Schools at Villages Mubarakpur, Prayagpur, Amlala & Sanauli	NA	ii	Yes	Punjab, Mohali	7.11	Direct	NA
3.	Supply of Water Coolers and Aquaguard in Government School at Village Lalru and Miyanpur	NA	ii	Yes	Punjab, Mohali	1.53	Direct	NA
4.	7 (seven) Vaccination camps were organised where 850 vaccines were done.	NA	i	Yes	Punjab, Mohali	1.38	Direct	NA
5.	Medical Camp organized in the surrounding village of Derabassi where 200 patients were examined by doctors of different fields.	NA	i	Yes	Punjab, Mohali	1.18	Direct	NA
6.	Eye Check up Camp was organized in the surrounding villages of Derabassi where 100 patients were examined and 45 patients operated (Eye Cataract Surgery).	NA	i	Yes	Punjab, Mohali	2.42	Direct	NA
7.	Paid to Annanda NGO for distribution of ration kits to vulnerable communities.	NA	i	No	Maharashtra	15.00	Direct	NA

Board's Report

S. 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 lakh	Mode of Implementation - Direct Y/ No	Mode of Implementation - through Implementation Agency - Y/No
					State / District			
8.	Campus, Canteen, Computer Lab Civil Work, Electrical Work, IP enabled digital key telephone, Projector with back up support, installation kit, expansion of CCTV Camera's, etc. in Sanskardham Kelvani Mandal School, Mumbai	NA	ii	No	Maharashtra	29.98	Direct	NA
9.	Paid to the United Orphanage for the Disabled	NA	i	No	Maharashtra	1.50	Direct	NA
10.	Construction of Boundary Wall and Gate of Cremation Ground at village Bijanpur	NA	x	Yes	Punjab, Mohali	6.94	Direct	NA
11.	Paid to Omkar Andh Apang Samajik Sanstha	NA	i	No	Maharashtra	5.15	Direct	NA
12.	Supply of construction material for the Public utilities services in the nearby rural area.	NA	x	Yes	Punjab, Mohali	0.90	Direct	NA
						75.94		

(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): ₹75.94 Lakh

(g) Excess amount for set off, if any:

S. No.	Particulars	₹ in Lakhs
1.	Two percent of average net profit of the Company as per Section 135(5)	75.67
2.	Total amount spent for the Financial Year	75.94
3.	Excess amount spent for the Financial Year [(2)-(1)]	0.27
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
5.	Amount available for set off in succeeding financial years [(3)-(4)]	0.27

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

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) in ₹	Amount spent in the reporting financial year (₹ in lakh)	Amount transferred to any fund specified under Schedule VII as per section 135 (6), if any. Location of the Project	Amount remaining to be spent in succeeding financial years (in ₹)
1.	2020-2021			NOT APPLICABLE	
2.	2019-2020		3.60*	NIL	
3.	2018-2019			NOT APPLICABLE	

* The Amount of ₹ 3.60 Lakh which was unspent for the year 2019-2020, was spent in the previous financial year 2020-2021.

(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 D Patel
Chairman
DIN: 00009605

BUSINESS RESPONSIBILITY REPORT

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

Introduction

The Business Responsibility Report FY 2021-22 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 towards 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 (LODR) 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:**	2021-22
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 Agrochemicals (Technicals), 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.

SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE)

1.	**Paid up Capital** (₹ in Crore):	12.26
2.	**Total Turnover** (₹ in Crore):	930.57
3.	**Total profit after taxes** (₹ in Crore):	80.82
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**	Total spend on CSR during financial year 2021-22 is ₹ 75.94 lakh 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 ₹ 75.67 lakh.

5. List of activities in which expenditure in 4 above has been incurred:

- Institution of excellence by improving infrastructure of schools
- Healthcare
- Rural development
- Sustainable livelihood

SECTION C: OTHER DETAILS

1.	**Does the Company have any Subsidiary Company/ Companies?**	Yes. As on 31st March 2022, 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 small 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 responsible for implementation of the BR policy/policies:

Particular	Details of Director
DIN Number	00015621
Name of Director	Mr. Shalil S Shroff
Designation	Managing Director

(b) Details of the BR head:

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

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.

Board's Report

(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 been 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 been 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 was 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 Managing Director oversees the implementation. Mr. Vinod K 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.								
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 an 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 the 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 Board's 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 believes 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 with in a fair manner.

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

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. To report all the related party transactions to the Audit Committee/Board.
2. To inform in appropriate manner if any directorships are accepted in competitor's companies
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. Yes,

Board's Report

the company has achieved reduction in production norms in comparison to the last year in respect of resources uses i.e energy, water and raw materials. Power factor has been improved from 0.98 to 0.998 and we are constantly practising recycling and re-usage of water therefore our factory is Zero Liquid Discharge facility.

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.

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.

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 unit is zero liquid discharge, trade effluent is being fed into MEE for thermal decomposition and condensate so received is being recycled into cooling towers. Also, the unit is achieving 100% recovery of waste water and using it in-house. The unit is also achieving 100% recovery of solvents for in-house utilisation.

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

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

As on March 31, 2022:

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

   Total number of employees as on 31st March 2022 – 1213

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

   During the year 2021-22, PCCPL hired 867 employees on contractual basis. The Company does not hire employees on a 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 2022 – 52

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

   Number of permanent employees with disabilities as on 31st March 2022 – 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: 71%

   Alpha Drug India worker's Union: 74%

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.**

   Yes, the Company has taken initiatives to engage with its disadvantaged, vulnerable and marginalised stakeholders through its Corporate Social Responsibility projects.

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?**

   The Company has policies on Human Rights, Whistle Blower and Sexual Harassment which are stringently followed by our stakeholders. These policies are for the protection of dignity and self respect of our stakeholders and focus on to provide a harassment free work culture. The Company has adopted a fair culture and encourages its stakeholders to utilise our grievance redressal mechanisms which are accessible to all. This helps us to resolve the grievances with top scrutiny and urgency.

   The Company eludes all kind of discrimination based on the gender, caste, creed, religion, disability, marital status, culture, ancestry, socioeconomic status etc.

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 reporting period.

Board's Report

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 is focused on reducing adverse environmental impacts of our operations, manage environmental risks and pursue sustainability initiatives such as reducing waste and promoting recycling and it 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 adopts energy efficiency measures in its operations wherever possible, we are also strengthening the green belt and plantation cover within the factory premises. Solvent recovery systems improved. Old heat exchangers have been replaced for better efficiency. Scrubbers have been installed in the plants on the vents. https://www.punjabchemicals.com/ims-policy/

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. We record the results of the assessment and implement precautions & review the assessment at regular intervals. Moreover, the unit is being regularly monitored by the concerned Pollution Control Department and on quarterly basis monitoring of air, water and soil is also carried out by the approval of NABL (National Accreditation Board for Testing and Calibration Laboratories). There is always a risk of fire, explosions and air pollution. The Company has taken possible safety measures and followed necessary parameters for the safety of the unit, people and its surroundings. Safety audits are also conducted in routine by internal as well as external teams. The storage and safety aspects are regularly monitored. Proper safety systems are installed to avoid any unfortunate situation and its after effects, 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?**

   The Company constantly endeavours to improve its environmental performance and reduction of emission and has improvised air pollution controlling devices of boilers & incinerators. The scrubbing system has also been introduced on the process vents to control the emission of toxic gases into the environment. Moreover, there is an online continuous emission monitoring system, which is connected to the CPCB server to keep check on the emission levels. Old heat exchangers have been replaced for better efficiencies in process units & also increased the efficiency of solvent recovery units.

   The Company currently does not 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.**

   Yes, the Company has taken various initiatives to make its processes clean and energy efficient, details are as mentioned below.

   - In the electrical department the size of bus bars of transformers have been increased to decrease consumption of units.
   - Installed AC drive in cooling tower pumps of two plants resulting in saving of consumption of units per month in comparison with the previous year.
   - Flow meters have been installed in individual plants to monitor the steam consumption.
   - Energy meters have been installed in the electrical main supply to monitor efficiencies.
   - Boilers have been revamped to improve their efficiencies.

   To know more about this initiative kindly refer to the "Conservation of energy and technology absorption" which is a part of the Board's 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 during the reporting period are well within permissible limits given by Central and State Pollution Control Boards. Moreover, the unit is being regularly monitored by the concerned Pollution Control Department and on quarterly basis monitoring of air, water and soil is also carried out by the approval of NABL (National Accreditation Board for Testing and Calibration Laboratories).

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

   As on March 31, 2022, there are no pending show causes / legal notices received from CPCB or SPCB.

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, rural development and healthcare 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?**

   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.

Board's 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.

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 2021-22.

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

   No surveys have 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.

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

[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 & PO 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 2022 (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 2022 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 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;

- The penalty of ₹ 5000/- [Rupees Five Thousand Only] was imposed by the listed entity on Ms. Darshana Devi Saini, Deputy Manager, a Designated Employee, for selling 20 equity shares when the trading window was closed. The penalty has been duly paid by the concerned employee and was in turn deposited by the Company with the SEBI-IEPF Account as per the information provided to us.

(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 (upto 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021)- Not Applicable to the Company during the Review Period.

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (upto 16th August, 2021) and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August,

Board's Report

2021) - Not Applicable to the Company during the Review Period.

(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 (up to 9th June 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June 2021)- 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.

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:

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 as identified and confirmed by the management:

(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. The designation of Mr. Avtar Singh was changed from Whole Time Director to Non-Executive Director w.e.f. October 01, 2021 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, 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.

We further report that during the review period

1. Mr. V Srinivas (ACS 37078) was appointed as Company Secretary and Compliance Officer w.e.f. January 27, 2022, as Mr. Punit Kumar Abrol (FCS 1774) ceased to be the Company Secretary cum Compliance Officer w.e.f. December 31, 2021.

For P. S. Dua & Associates
(Company Secretaries)

P.S. Dua
(FCS No. 4552)
(C. P No. 3934)
UDIN: F004552D000275020
Peer Review Certificate No. 1296/2021

Place: Ludhiana
Dated: 5th May, 2022

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 & PO 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.

For P. S. Dua & Associates
(Company Secretaries)

P.S. Dua
(FCS No. 4552)
(C. P No. 3934)
UDIN: F004552D000275020
Peer Review Certificate No. 1296/2021

Place: Ludhiana
Dated: 5th May, 2022

Board's Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO IN ACCORDANCE WITH COMPANIES (ACCOUNTS) RULES, 2014.

A) CONSERVATION OF ENERGY

a) Steps taken for Conservation of Energy and Impact

- Flow meters have been installed in individual plants to monitor the steam consumption.
- Energy meters installed in DG sets to monitor efficiencies.
- Boilers revamped to improve their efficiencies.
- Efficiency monitoring program for chillers implemented.
- Power factor improved from 0.98 to 0.998.
- Operational – moderate modifications, changes in process parameters, changes in design and manpower.
- Single dry vacuum pump has been installed for 6 individual units. Initially 6 different vacuum ejector pumps were installed.
- Focused on recycling of water resulting in the reduction of water treatment.
- Solvent recovery systems improved. Old heat exchangers were replaced for better efficiency.
- Right sizing of transformers busbar to reduce losses.
- Installation of Variable Frequency Drive (VFDs) in cooling towers.
- Integration and optimization of cooling water networks.

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 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

(₹ in lakh)

	2021-2022	2020-2021
a) Capital	145	24
b) Recurring	185	173
c) Total	330	197
d) Total R&D expenditure as %age of total turnover	0.35%	0.29%

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.

(₹ in lakh)

	2021-2022	2020-2021
i) Earned	48721	42257
ii) Used	11458	7752

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 2021-2022	**Director's Name**	**Designation**	**Ratio to MRE**
		Mr. Shalil S Shroff	Managing Director	72.06x
		Mr. Mukesh D Patel	Independent Director	4.05x
		Capt. Surjit Singh Chopra (Retd.)	Non Independent Non Executive Director	1.1x
		Ms. Aruna R Bhinge	Independent Director	1.6x
		Mr. Sheo Prasad Singh	Independent Director	1.34x
		Mr. Shivshankar S Tiwari	Non Independent Non Executive Director	8.12x
		Mr. Avtar Singh	Non Independent Non Executive Director	43.89x
		Mr. Vijay D Rai	Independent Director	3.95x
2	The percentage increase in remuneration of Each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2021-2022.	**Name**	**Designation**	**% increase in remuneration**
		Mr. Shalil S Shroff	Managing Director	38%
		Mr. Mukesh D Patel	Independent Director	32%
		Capt. Surjit Singh Chopra (Retd.)	Non Independent Non Executive Director	11%
		Ms. Aruna R Bhinge	Independent Director	5%
		Mr. Sheo Prasad Singh	Independent Director	1%
		Mr. Shivshankar S Tiwari	Non Independent Non Executive Director	119%
		Mr. Avtar Singh	Non Independent Non Executive Director	18%
		Mr. Vijay D Rai	Independent Director	30%
		Mr. Vinod K Gupta*	Chief Executive Officer	NA
		Dr. Sriram Swaminathan	Chief Financial Officer	33%
		Mr. Punit K Abrol**	Company Secretary (till 31.12.2021)	NA
		Mr. V Srinivas**	Company Secretary (wef 27.01.2022)	NA

* Mr. Vinod K Gupta joined the Company on 8th February, 2021, his remuneration is not comparable with last year as he was appointed for part of year only.

** Mr. Punit K Abrol superannuated on 31st December, 2021 and Mr. V Srinivas was appointed as the Company Secretary of the Company w.e.f. 27th January, 2022. Accordingly there is no increase / decrease of remuneration during the year as they worked for part of year.

3	The percentage increase in the median remuneration of employees in the financial year.	2.70%

		As on 31.03.2022	As on 31.03.2021
4	The number of permanent employees on the roll of the Company.	1213	1176

Board's Report

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.	Average percentile increase already made in the salaries of employees other than the managerial remuneration in the last financial year was 10.34% and its comparison with the percentile increase in the managerial remuneration is 43.65%. The increase in the managerial remuneration is due to increased profitability and payment of higher commission to Executive and Non Executive Directors.
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 ₹)	Date of joining and experience	Previous employment and designation	Relation with any other Director / Manager
Mr. Shalil S Shroff - Managing Director - 57 years	Management Diploma from U.S.A. and B.Com	3,20,35,500	15.01.1992 33 years	STS Chemicals Limited, Director	Son in law of Capt S.S. Chopra (Retd), Director
Mr. Avtar Singh - Director - 63 years	B.Sc.	1,94,90,759	20.12.1980 41 years	Gharda Chemists (P) Ltd., Jr. Chemist	N.A.
Mr. Vinod K Gupta - Chief Executive Officer - 52 years	Chemical Engineer, IIT Bombay & Post Graduate Program in Management for Executives, IIM Ahmedabad	1,42,11,638	08.02.2021 30 years	Archean Chemicals Industries Private Limited - CEO	N.A.
Dr. Sriram Swaminathan - Chief Financial Officer - 59 years	Hon, Doctorate in Supply Chain Management, Fellow member of the Institute of Cost Accountants of India., Master of Commerce from Mumbai University.	1,18,50,417	01.04.2020 35 years	Group CFO-Tatva (UPL Group)	N.A.

* The remuneration of Mr. Avtar Singh, Director is upto 30th September, 2021 as he was appointed Non Executive Director w.e.f. 1st October, 2021.

The Board has recommended / approved a Commission of Rs. 118 lakh to Mr. Shalil S Shroff and Rs. 29.50 lakh to Mr. Avtar Singh for the year 2021-2022 in accordance with remuneration approved by the shareholders of the Company, shall be paid/ distributed in the financial year 2022-2023, which has been included in the remuneration of both the Executive Directors. The salary and commision to the Whole time Directors is paid and provided within the ceiling provided in the Companies Act, 2013.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our corporate governance philosophy reflects our value system encompassing our legacy, culture, vision, mission, policies and relationships with all our stakeholders.

At Punjab Chemicals and Crop Protection Limited ["PCCPL" or "Company"] we are committed to doing things the right way which means taking business decisions which are ethical and in compliance with applicable legislations.

A. **Transparency:** We ensure transparency and maintain a high level of integrity and accountability.

B. **Compliance:** We ensure compliance in both the letter and spirit of law in all our actions and disclosures.

C. **Relationship with Stakeholders:** We understand our responsibility to protect the interest of all stakeholders.

Our corporate governance framework is guided by our core values, culture and ethics viz:

1. Always Human – We are all about connecting with people, in a human way – showing respect, demonstrating trust, celebrating diversity. For us, technology is an enabler, not the endgame. We see the value in human connectivity and how it creates new opportunities for everyone. With this, comes our promise to protect people's safety in every way we can.
2. Nothing's impossible – There isn't any limit to our ambition or our ability to grow. We are not afraid to run with new ideas, work with new partners, anticipate new needs, push ourselves beyond our comfort zones or simply ask 'Why not?'. We dare to change the game and create a new food economy for the world.
3. Win-Win-Win – We serve a cause bigger than ourselves – sustainability of global food systems. We win when we create sustainable solutions based on responsible choices, when everyone we serve and partner with grows too, and when together we achieve sustainable growth for society as a whole - the biggest win of all.
4. One team, One focus – We are one team, for maximum impact. One team with shared goals. We all play for the team, and no one plays against the team. We have a laser-like focus on what our customers need and want, on anticipating their future needs and how we can create innovative solutions and experiences for them.
5. Agile – No one is faster or more efficient. We thrive on targets and challenges that, while possibly daunting at first glance, only excite and energise us. Wherever we operate, speed and agility are in our DNA. The world needs our urgency.
6. Keep it simple, make it fun – Food systems are highly complex and present huge challenges. We cut through this by keeping it simple. People value simplicity, customers especially. And everyone likes fun, so let's have some, doing what we love to do.

The Company in all its dealings endeavours to implement the corporate governance provisions and best practices to achieve the objectives of the following principles:

- Recognize the rights of all stakeholders and encourage cooperation between the Company and all its stakeholders.
- Protect and facilitate the rights of all stakeholders.
- Provide adequate and timely information to all stakeholders through timely and accurate disclosures.
- Ensuring equitable treatment for all stakeholders.
- Recognising the responsibilities of the Board of Directors towards the attainment of the above principles.

The Company has adopted various Codes/Policies towards achieving the best corporate governance practices which inter-alia includes Code of Conduct, Whistle Blower Policy, Code of Conduct for Monitoring and Prevention of Insider Trading and Policy on Related Party Transactions.

With a strong governance philosophy, we have a multitiered governance structure with defined roles and responsibilities of every constituent of the governance system which includes Board of Directors, Board Committees, KMP Leadership Team headed by Mr. Shalil S Shroff, Managing Director, Mr. Vinod K Gupta, CEO, Dr. Sriram Swaminathan, CFO and Mr. V Srinivas, Company Secretary and Functional Heads.

BOARD OF DIRECTORS

Composition of Board

The Board is responsible for providing strategic direction to the Company, establishing a policy-based governance system, defining a succession plan, providing independent judgement and overseeing the performance of the management and governance of the Company on behalf of the shareholders and other stakeholders.

The composition of the Board of the Company is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015 ('SEBI Listing Regulations') and Section 149 of the Companies Act, 2013 ("the Act"). It is

Report on Corporate Governance

an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities effectively and provide leadership to the business.

As on the date of this Report, the Board has 8 (eight) Directors. There is 1 (one) Executive Director (Managing Director), 3 (three) 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 the Promoter Director. Three Non-Executive Directors are liable to retire by rotation at the Annual General Meetings to comply with the provisions of the Companies Act. The number of Directorship(s)/ Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the SEBI (LODR) Regulations, 2015 and Companies Act.

The Name and Category of Directors, their attendance at the Board Meetings and the last Annual General Meeting (AGM) held during the year 2021-2022 and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Public Limited Companies as on March 31, 2022 are as follows:

Name of the Director	Category	Attendance		No. of other directorships and Committee memberships / chairmanships*			Directorship in other listed entities and category of directorship	No. of Shares
		Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanship		
Mr. Mukesh D Patel Chairman (DIN:00009605)	Independent/ Non-Executive	5	Yes	2	4	2	i. Shilchar Technologies Limited - (Independent Director) ii. Banco Products (India) Ltd. – (Independent Director)	400
Mr. Shalil S Shroff Managing Director (DIN:00015621)	Promoter / Executive	5	Yes	-	-	-	-	230581
Capt. Surjit Singh Chopra (Retd.) (DIN:00146490)	Non-Independent/ Non-Executive	5	Yes	-	-	-	-	-
Mr. Vijay D Rai (DIN:00075837)	Independent/ Non-Executive	5	Yes	3	1	-	-	-
Ms. Aruna R Bhinge (DIN:07474950)	Independent Woman Director/ Non-Executive	5	Yes	3	3	-	i. Laurus Labs Limited - Independent Director. ii. Mahindra EPC Irrigation Ltd. - Independent Director	Nil
Mr. Sheo Prasad Singh (DIN:06493455)	Independent/ Non-Executive	5	Yes	-	-	-	-	Nil
Mr. Avtar Singh Whole Time Director (DIN:00063569)	Non-Independent/ Non- Executive	5	Yes	3	1	-	i. Transpek Industries Limited	7011
Mr. Shivshankar S Tiwai (DIN:00019058)	Non-Independent/ Non Executive	5	Yes	-	-	-	-	11588

*Excludes Directorship in private limited companies, foreign companies, and companies under Section 8 of the Companies Act,2013. Committee Membership/Chairmanship of only Audit Committee and Stakeholders Relationship Committee are considered other than 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. 42 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 is 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.

Familiarisation Programme

Pursuant to the provisions of the Act and Regulation 25 (7) of the SEBI (LODR) Regulations, 2015, 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.

The details of familiarization programmes imparted to Independent Directors are also disclosed on the Company's website: https://www.punjabchemicals.com/wp-content/uploads/2022/03/Familiarization-Programme-2021-2022.pdf.

Directors and Officers Insurance ('D&O')

In line with the requirements of Regulation 25(10) of the SEBI (LODR) Regulations, 2015, the Company has taken adequate D&O insurance for directors, officers and employees of the Company.

Board Skill Matrix

The Board comprises of highly qualified and experienced members who possess required skills, expertise and competence that is required by the Company. The core skills/ expertise/competencies identified by the Board of Directors in the context of the Company's businesses which are required for effective functioning and are available with the Board are given below:

Skills	Descriptions
Global Business and Economics	Experience in driving business success in market across the globe with an understanding of diverse business environment
Management and Leadership	General know-how of manufacturing, supply chain, talent management and succession planning.
Strategy and Growth	Examining and evaluating expansion/ diversification and M&A deals for inorganic growth
Crop Protection Products	Experience and knowledge of products and services offering in crop protection and agriculture yield improvement
Finance	Proficiency in financial management and financial reporting process
Risk, Compliance and Governance	Knowledge of managing key risks affecting business/operations, legal & compliance risks, cyber risks. Adopting best governance practices, policies and conflict management.

The current constitution of the Board ensures that the Board as a whole has a balanced mix of skill set identified as above. The matrix of skillset based on 'core expertise' with regards to each such skill, is as under:

Areas/Director	Global business and Economics	Management and Leadership	Strategy and Growth	Crop Protection Products	Finance	Risk, Compliance and Governance
Mr. Mukesh D Patel	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
Mr. Shalil S Shroff	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
Capt. Surjit Singh Chopra (Retd.)	✓	✓	✓✓	✓	✓	✓✓
Mr. Vijay D Rai	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
Ms. Aruna R Bhinge	✓✓	✓✓	✓✓	✓✓	✓	✓✓
Mr. Sheo Prasad Singh	✓	✓	✓	✓	✓✓	✓✓
Mr. Avtar Singh	✓✓	✓✓	✓✓	✓✓	✓	✓✓
Mr. Shivshankar S Tiwari	✓✓	✓✓	✓✓	✓✓	✓	✓✓

Note: (✓✓) Possess the skill and has core expertise; (✓) Possess the skill

Report on Corporate Governance

Directors' Profile

The Board comprises of highly qualified and experienced members who possess required skills, expertise and competence that is required by the Company. The profile including core skills/ expertise/competencies of the Board of Directors is given below:

Name of Director	Category	Core skills / expertise / competencies
Mr. Mukesh D Patel	Chairman Independent/ Non-Executive	Graduate in Chemical Engineering, experience in finance and Corporate management for more than 47 years. He was associated with various industry bodies, such as India Chemical Manufacture Association, CHEMXCIL and Indian Association of Materials' Management.
Mr. Shalil S Shroff	Promoter Executive (Managing Director)	Management Diploma from University of Deopage, USA. He has been associated with the Company since 1992. Expertise in overall management and exploring new markets 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 the Indian Air Force for 15 years and Air India for 26 years. Competent in advising on various managerial and administrative matters.
Mr. Vijay D 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 he was with the Tata group in India and was the CEO of Rallis the then largest Agrochemicals Company in India for 13 years.
Ms. Aruna R 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 31 years of experience with leadership positions in business strategy, marketing, sales, projects & partnership in the healthcare and agri business sectors.
Mr. Sheo Prasad Singh	Independent/ Non Executive	M.Sc, C A I I B, PGDFRM, PGDFA. A veteran banker with more than 39 years of experience in Commercial Banking including, Treasury, Direct/Indirect Taxation, management of Superannuation Funds.
Mr. Avtar Singh	Non-Independent/ Non Executive	B.Sc. from Panjab University, Chandigarh. He has overall experience of about 41 years in the manufacturing of Chemicals, Pharmaceuticals and Agrochemicals of the Company. He is the Joint Managing Director of Transpek Industry Limited.
Mr. Shivshankar S 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.

Mr. Shalil S Shroff and Capt Surjit Singh Chopra (Retd) are related to each other as Son in law and Father in law. None Director is related to other Directors.

Information to Board/ Committee Members

During the year under review, board/committee meetings were convened by giving appropriate notice of the meeting well in advance. The directors/members of the Committee were provided with appropriate information in the form of agenda items in a timely manner, to enable them to deliberate on each agenda item, make informed decisions and provide appropriate directions to the Management in this regard. Information is provided to the Board members on a continuous basis for their review, inputs and approval. PCCPL ensures that the directors are also provided with all the information as may be called upon by them.

Board/Committee Meetings and Procedures

The Board has constituted various Committees to govern specific areas of operations/functions. All Board and Committee meetings are held in compliance with Secretarial Standard-1 (SS-1) issued by The Institute of Company Secretaries of India.

The Company has moved to a regime of paperless Board and Committee meetings. The board/committee meetings were held through physically as well as video conferencing as allowed under law.

Scheduling and selection of agenda items for Board and Committee meetings

The Board/Audit Committee annually holds at least four pre-scheduled meetings. Additional Board/Committee meetings may be convened to address the Company's specific needs. In case of business exigencies or urgency, resolutions are passed by circulation. Every quarter, the Board notes compliances of all laws applicable to the Company.

In the Board/Committee meeting, various business heads/ service heads are invited to make presentation on their respective areas.

The Chairman of the Board and Company Secretary, in consultation with other concerned members of the senior management, finalize the agenda for Board/Committee meetings. The agenda is circulated to the Directors well in advance along with all material information pertaining to the agenda items for facilitating meaningful and focused discussions at the meeting.

The broad matters considered by the Board, inter-alia include:

a) Annual operating plans, capital budgets and updates therein.

b) Quarterly and annual consolidated and standalone results & financial statements of the Company.

c) Capital/corporate restructuring, mergers and acquisitions related matters.

d) Dividend/bonus related matters.

e) Regular business/function updates.

f) Update from Chairperson of Board Committees.

g) Compliance related matters.

h) Regulatory updates.

i) Human Resource related matters.

Video/teleconferencing 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.

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/Committee members for their comments as prescribed under SS-1. The minutes after considering comments of directors, are entered in the minutes book within 30 days from the conclusion of the meeting. The minutes thereafter are signed by the Chairperson of the next meeting. Important decisions taken at Board/Committee meetings are communicated promptly to the concerned departments/divisions. Action taken on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/Committees for noting.

Board Meetings

The Board duly met 5 (five) times during the financial year. The details of the meetings held are as follows:

Date	Board Strength	No. of Directors present	No. of Independent Directors Present
May 27, 2021	8	8	4
August 11, 2021	8	8	4
October 29, 2021	8	8	4
January 27, 2022	8	8	4
March 3, 2022	8	8	4

During the year, there was full quorum in all board meetings including full attendance of Independent Directors. The gap between the two meetings did not exceed 120 days.

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 Board's Report contains the disclosures regarding fulfilment of the requisite independence criteria by Company's Independent Directors.

Independent Directors and their meeting

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. 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 (LODR) Regulations, 2015 and Section 149 of the Act and they abide by the Code of Conduct as per Schedule IV.

The Independent Directors are appointed by the Board to provide their independent judgement on the affairs of the Company and are appointed by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under the law and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated,

Report on Corporate Governance

that could impair or impact his/her ability to discharge his/her duties with an objective independent judgement and without any external influence.

In the opinion of the Board, the Independent Directors of PCCPL fulfill the conditions specified in the Securities Exchange Board of India "SEBI (LODR) Regulations, 2015 ["SEBI Listing Regulations]" and the Companies Act, 2013 regarding independence and are independent of the management. Further, pursuant to the Ministry of Corporate Affairs (MCA) notification dated October 22, 2019, all the Independent Directors are registered on the Independent Directors databank maintained by the Indian Institute of Corporate Affairs ('IICA').

At the time of appointment, each Independent Director is issued a formal letter of appointment containing the terms of appointment, roles, duties and code of conduct among other items. The draft letter of appointment is available on the website of the Company under Investors section at https://www.punjabchemicals.com/wp-content/uploads/2022/04/Draft-letter-of-appointment.pdf.

During the year under review, the Independent Directors met on March 13, 2022, where all the Independent Directors were present. The meeting was conducted to enable the Independent Directors to discuss the affairs of the Company, discuss the outcome of the board/committee evaluation and put forth their views to the Board.

During the year under review, there was no change in Independent Directors.

Code of Conduct

The Company has a Code of Conduct which expresses PCCPL's commitment to conducting business ethically. The Code explains what it means to act with integrity and transparency in everything the Company does and in accordance with its unique culture and values. The Code sets expectations for all those who work with PCCPL. The Code acts as a guideline for Employees, Customers and Suppliers, Communities/ Environment, Governments and Shareholders. The Code of Conduct is available on Company's website at https://www.punjabchemicals.com/wp-content/uploads/2022/05/Code-of-Conduct-and-ethics-PCCPL-f.pdf

As required under Clause D of Schedule V pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015, the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management as laid down by the Company for the year ended March 31, 2022. A declaration to this effect from the Managing Director forms part of this Report.

Succession Planning / Policy

The Company believes succession plans should be proactive and rigorous to identify and secure the best possible talent to oversee and manage the organisation.

The succession planning process of the Board and the senior management is managed by the Nomination and Remuneration Committee ("NRC") and reviewed by the Board. 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 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 SEBI (LODR) Regulations, 2015.

Appointment/ Re-appointment of Directors

As required under Regulation 36 (3) of the SEBI Listing Regulations, particulars of the Director seeking reappointment are given in the Explanatory Statement to the Notice of the Annual General Meeting (AGM).

BOARD COMMITTEES

The Board Committees are set up by the Board of Directors and are governed by their respective terms of reference which exhibit the scope and responsibilities of the Committees. Presently, the Board has five committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. The Committees operate under the direct supervision of the Board.

The terms of reference of all the Committees are revised on a periodic basis to enhance the effectiveness of the Committees and to benchmark it with the best global practices in governance.

AUDIT COMMITTEE

The broad terms of reference of Audit Committee as adopted by the Board, inter-alia, are as under:

a) 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.

b) Reviewing, with the management, the financial statements and financial results and auditor's report thereon before submission to the Board for approval.

c) Recommendation for appointment and remuneration of auditors, reviewing their independence and effectiveness of the audit process.

d) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

e) Oversee insider trading related matters and provide directions on any penal action to be initiated, in case of any violation of the Insider Trading Regulations.

f) Approval or any subsequent modification of transactions with related parties.

g) Scrutiny of inter-corporate loans and investments of the Company.

h) Valuation of undertakings or assets of the Company, wherever it is necessary.

i) Review the functioning of the vigil policy/whistle blower mechanism.

Detailed terms of reference of the Audit Committee are available on the Company's website at https://www.punjabchemicals.com/wp-content/uploads/2022/04/Audit-Committee-Terms-of-Reference.pdf.

During FY 2021-22, the Audit Committee met five times i.e. May 27, 2021, August 11, 2021, October 29, 2021, January 27, 2022 and March 3, 2022.

The Audit Committee has been granted powers as prescribed under Regulation 18 (2) (c) of the SEBI (LODR) Regulations, 2015.

The composition of the Committee comprises of 4 (four) directors all of whom are independent directors and the details of meetings held and attended by the Directors during the financial year 2021-2022 are as under:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Vijay D Rai	Non-Executive / Independent	Chairman	5	5
2.	Mr. Mukesh D Patel	Non-Executive / Independent	Member	5	5
3.	Ms. Aruna R Bhinge	Non-Executive /Independent	Member	5	5
4.	Mr. Sheo Prasad Singh	Non-Executive / Independent	Member	5	5

The composition of the Committee is in compliance with the Act and the SEBI (LODR) Regulations, 2015. All the members of the Audit Committee are financially literate and Vijay D Rai has been nominated as the Chairman of the Audit Committee.

Company Secretary of the Company acts as the Secretary to the Audit Committee in conformity with Section 177 of the Act and Regulation 18(1) of the SEBI (LODR) Regulations, 2015.

The Audit Committee meetings are attended by the Managing Director, Chief Executive Officer, 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 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 meetings are placed before the Directors in the next meeting of the Board. During the year, all the recommendations made by the Audit Committee were accepted by the Board.The Chairman of the Committee was present at the previous AGM held on August 12, 2021 by way of video conferencing/other Audio visual means ("VC/OAVM").

Report on Corporate Governance

NOMINATION AND REMUNERATION COMMITTEE

The broad terms of reference of Nomination and Remuneration Committee as adopted by the Board, interalia, are as under:

a) 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 and other employees.

b) Recommending appointment/re-appointment/ removal of any Director or senior management personnel of the Company including their remuneration.

c) Approve criteria for effective evaluation of the performance of the entire Board, its committees and individual directors.

d) Review human resource related matters including talent management and succession planning.

e) Administer and monitor Employee Stock Option Scheme(s) of the Company, if any.

Detailed terms of reference of the Nomination and Remuneration Committee are available on the Company's website at https://www.punjabchemicals.com/wp-content/uploads/2022/04/NRC-Terms-of-Reference.pdf

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 SEBI (LODR) Regulations, 2015 and Section 178 (1) of the Act with respect to the composition of the Nomination and Remuneration Committee.

During the year, all the recommendations made by the Nomination and Remuneration Committee were accepted by the Board. Mr. Vijay D Rai, Chairman of the Nomination and Remuneration Committee was present at the last AGM held on August 12, 2021 by way of Video Conferencing/Other Audio Visual Means ["VC/OAVM"]. The Committee met two (2) times during the financial year ended March 31, 2022 on May 27, 2021 and January 27, 2022.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2021-2022.

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

The 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 http://www.punjabchemicals.com/wp-content/uploads/2018/07/Nomination-and-Remuneration-Policy.pdf.

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 (LODR) Regulations, 2015. 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.

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

The Board / Nomination and Remuneration Committee is authorised to decide the remuneration of the Managing Director, 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 the Managing Director 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 ₹15000/- for each meeting of the Board or its committees attended by them. 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 a 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, 2022 will be paid to Non-Executive / Independent Directors, subject to deduction of tax, after adoption of financial statements by the Members in the ensuing Annual General Meeting.

Details of Remuneration paid to Directors

The Directors' remuneration, sitting fees and commission paid/payable in respect of the Financial Year 2021-2022 are given below.

(Amount in ₹)

Name of Director	Sitting fees for Board / Other Committees Meetings	Salaries and other perquisites benefits	Other Commission	Total
Mr. Mukesh D Patel	3,00,000	-	15,00,000	18,00,000
Mr. Shalil S Shroff, Managing Director	-	2,02,35,500	1,18,00,000	3,20,35,500
Capt. Surjit Singh Chopra (Retd.)	90,000		4,00,000	4,90,000
Mr. Vijay D Rai	2,55,000	-	15,00,000	17,55,000
Ms. Aruna R Bhinge	2,10,000	-	5,00,000	7,10,000
Mr. Sheo Prasad Singh	1,95,000	-	4,00,000	5,95,000
Mr. Shivshankar S Tiwari	1,05,000	-	35,00,000	36,05,000
Mr. Avtar Singh	1,05,000	1,64,35,759	29,50,000	1,94,90,759
TOTAL*	**12,60,000**	**3,66,71,259**	**2,25,50,000**	**6,04,46,000**

*On 01/10/2021, there was a change in designation of Mr. Avtar Singh from Executive Director to Non Executive Non Independent Director of the Company. Accordingly remuneration is upto 30th September,2021 and thereafter sitting fees is paid for attending Board/Committee meetings.

Report on Corporate Governance

Notes

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

b. The commission of ₹ 78 lakh has been approved for the Non Executive Directors for the financial year 2021-2022. The same shall be distributed among them after adoption of financial results in the ensuing Annual General Meeting, which has been included in the above table.

c. The Board has recommended / approved a Commission of ₹ 118 lakh to Mr. Shalil S Shroff and ₹ 29.50 lakh to Mr. Avtar Singh for the year 2021-2022 in accordance with remuneration approved by the shareholders of the Company, shall be paid/ distributed during the financial year 2022-2023, which has been included in the remuneration of both Directors.

Service Contracts, Severance fees and notice period for the Managing Director

Name	Period of Contract	Severance fees/notice period
Mr. Shalil S Shroff, Managing Director	3 years from 15.01.2021 to 14.01.2024	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 the Managing Director and the Company.

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 required 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.

Detailed terms of reference of the Stakeholders Relationship Committee is available on the Company's website at https://www.punjabchemicals.com/wp-content/uploads/2022/04/SRC-Terms-of-Reference.pdf.

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 2021-2022, four (4) meetings of the Committee were held on May 27, 2021, August 11, 2021, October 29, 2021 and January 27, 2022.

The composition of the Committee and detail of meetings attended by the Directors during the financial year 2021-2022.

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

The Chairman of the Committee was present at the previous AGM held on August 12, 2021.

Name, designation and address of Compliance Officer

V Srinivas
Company Secretary and Compliance Officer
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
Email: investorhelp@punjabchemicals.com

The details of shareholders' complaints received and disposed off during the year under review are as follows

Particulars	Number of Complaints
Pending at the beginning of the financial year	Nil
Received during the financial year	2
Disposed off during the financial year	1
Pending at the end of the financial year	1

The complaints were majorly relating to IEPF, dividend, etc.

OTHER COMMITTEES

a) RISK MANAGEMENT COMMITTEE

The broad terms of reference of Risk Management Committee as adopted by the Board, inter-alia, are as under:

a) Framing risk management plan and policy and reviewing it periodically, at least once in two years.

b) Review of cyber security risks, data privacy, ESG related risks, other internal and external risks.

c) Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

d) Evaluate its own performance annually.

e) Review the adequacy of its Charter annually.

Detailed terms of reference of the Committee is available on Company's website: https://www.punjabchemicals.com/wp-content/uploads/2022/04/Risk-Management-Committee.pdf.

Composition and attendance at the meeting

The Risk Management Committee is comprised of four Directors including one Independent Director and the Chief Executive Officer of the Company. The composition of the Committee is in compliance with the SEBI (LODR) Regulations, 2015. The Company Secretary acts as the Secretary to the Committee.

During the financial year under review, 2 (two) meetings of the Risk Management Committee were held on October 29, 2021 and March 3, 2022.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2021-2022 are.

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Shalil S Shroff	Executive / Non Independent	Chairman	2	2
2.	Mr. Mukesh D Patel	Non-Executive / Independent	Member	2	2
3.	Mr. Avtar Singh	Non-Executive / Non Independent	Member	2	2
4.	Mr. Shivshankar S Tiwari	Non-Executive/ Non Independent	Member	2	2
5.	Mr. Vinod K Gupta	Chief Executive Officer	Member	2	2

Report on Corporate Governance

b) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The broad terms of reference of Corporate Social Responsibility Committee as adopted by the Board, interalia, are as under:

a) Formulate and recommend CSR policy to the Board.

b) Recommend budget to be incurred on CSR expenditure and monitor the CSR activities.

c) Approve Corporate Social Responsibility Report, Business Responsibility Report and Corporate Sustainability Report.

Detailed terms of reference of the Committee is available on Company's website: https://www.punjabchemicals.com/wp-content/uploads/2022/04/CSR-Committee-Terms-of-Reference.pdf

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 May 27, 2021.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2021-2022 are.

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Mukesh D Patel	Non- Executive /Independent	Chairman	1	1
2.	Mr. Shalil S Shroff	Executive /Non-Independent	Member	1	1
3.	Capt. Surjit Singh Chopra (Retd.)	Non-Executive / Non Independent	Member	1	1
4.	Ms. 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 http://www.punjabchemicals.com/wp-content/uploads/2019/04/CSR-Policy.pdf. 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.

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
2018-19	Hotel Blue Sapphire, Ambala Chandigarh Highway, Derabassi at 9.30 a.m.	Tuesday, August 13, 2019	1. To re-appoint Mr. Mukesh D Patel (DIN: 00009605) as an Independent Director for the second term. 2. To re-appoint Mr. Vijay D 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 Mr. Sheo Prasad Singh (DIN: 06493455) as an Independent Director for the second term.
2020-21	Registered Office of the Company, Milestone – 18, Ambala Kalka Road, Bhankharpur, Derabassi through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility at 10.30 a.m.	Thursday, August 12, 2021	There was no matter that required passing of Special Resolution.

Postal Ballot

During the year under review, no Special Resolution was 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"). Accordingly procedure followed for Postal Ballot is not required to be given.

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

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 BSE Limited & the National Stock Exchange of India Ltd [collectively called as "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 SEBI (LODR) Regulations, 2015 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.

GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date, Time and Venue:	Wednesday, the 10th August, 2022 at 10.30 a.m. (IST) at Derabassi through Video Conferencing pursuant to the MCA Circular No. 3/2022 dated May 5, 2022 and SEBI circular dated May 13, 2022.
Financial Year:	2021-2022
Date of Book Closure:	Wednesday, 3rd August, 2022 to Wednesday, 10th August, 2022 (Both days inclusive)
Dividend payment date:	The Dividend, if approved shareholders 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.

c) Stock Codes /Symbol (for shares)

BSE Limited (Code): 506618

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

Demat ISIN Number in NSDL & CDSL: INE277B01014

Report on Corporate Governance

d) Volume of Shares traded during F.Y. 2021-2022

On BSE: 9,20,859

On NSE: 73,62,289

e) Market Price Data

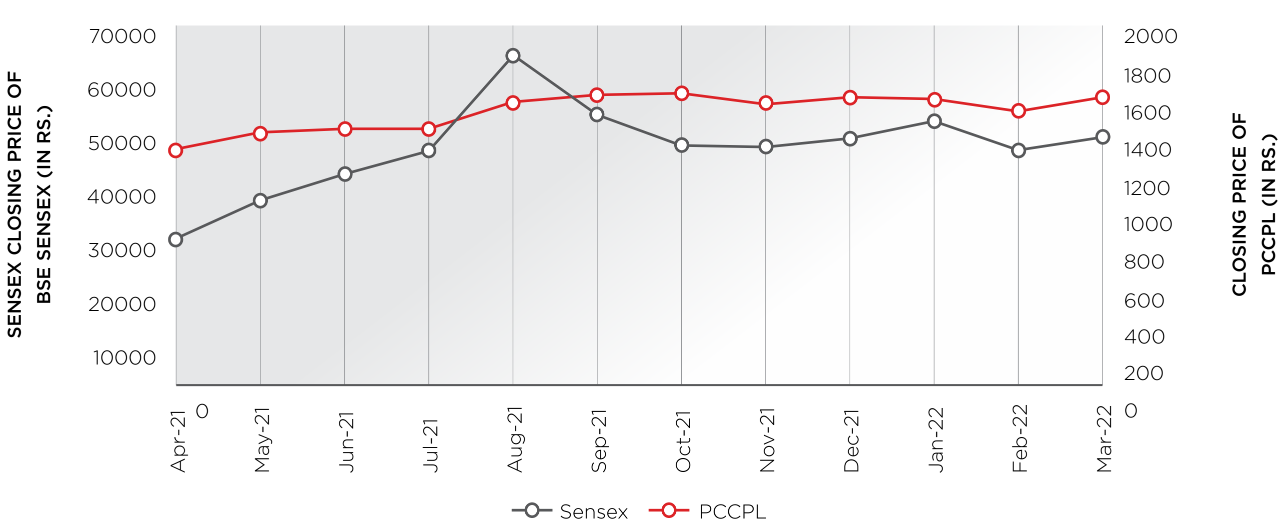
Market price data-monthly high/ low of BSE/ NSE depicting liquidity of the Company's Equity Shares on the said exchanges is given hereunder.

Month	BSE (in ₹)		NSE (in ₹)	
	High	Low	High	Low
April, 2021	969.00	841.00	968.75	839.75
May, 2021	1244.20	903.00	1245.05	906.45
June, 2021	1450.00	1079.00	1450.00	1079.95
July, 2021	1490.45	1225.00	1490.00	1269.00
August, 2021	1930.00	1165.00	1933.70	1164.10
September, 2021	1908.85	1554.65	1905.20	1555.10
October, 2021	1640.95	1344.20	1648.45	1340.55
November, 2021	1600.00	1335.00	1595.00	1333.00
December, 2021	1560.00	1216.00	1562.50	1295.00
January, 2022	1630.00	1423.25	1625.45	1424.70
February, 2022	1578.00	1300.00	1563.20	1345.00
March, 2022	1539.95	1308.30	1539.95	1325.00

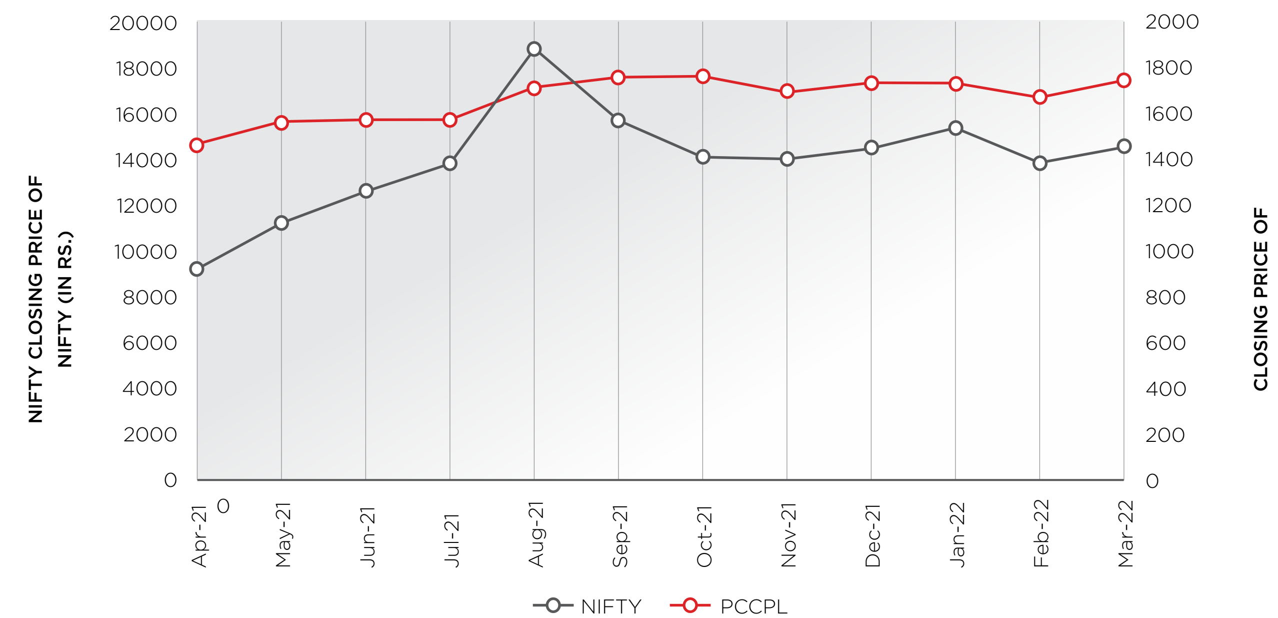
f) Share Price performance in comparison to broad based indices

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 2021-2022.

PCCPL Vs BSE SENSEX CLOSING



PCCPL Vs NSE NIFTY CLOSING



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 (LODR) Regulations, 2015, 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. 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.

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 and Annual Secretarial Compliance Report

a) As per Regulation 40(9) of the SEBI (LODR) Regulations, 2015, a Certificate from the Practising 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).

c) Mr. P. S. Dua of M/s. P. S. Dua & Associates, Practising Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2021-2022. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made thereunder, its Memorandum and Articles of Association and the applicable SEBI (LODR) Regulations, 2015. The Secretarial Audit Report forms part of the Board's Report.

Report on Corporate Governance

d) Pursuant to the SEBI circular no. CIR/CFD/CMD1/27/2019, dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from M/s P. S. Dua & Associates, Practising Company Secretaries, confirming compliance of SEBI Regulations/Circulars/Guidelines issued thereunder and applicable to the Company. There are no observations or adverse remarks in the said report. The said report is filed with Stock Exchanges within stipulated time.

j) Distribution of Shareholding as on March 31, 2022

FROM-TO	NO. OF SHAREHOLDERS		NO. OF SHARES	
Number of Shares	Number	%	Number	%
1-500	18711	96.35	732249	5.97
501-1000	339	1.74	258531	2.11
1001-2000	156	0.80	230201	1.88
2001-3000	60	0.31	154508	1.26
3001-4000	34	0.18	118143	0.96
4001-5000	23	0.12	106569	0.87
5001-10000	44	0.23	338866	2.76
10001 & above	52	0.27	10323118	84.19
TOTAL	**19419**	**100.00**	**12262185**	**100.00**

k) Categories of Shareholders as on March 31, 2022

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	89,607	0.73
b)	Financial Institutions/Banks	1,029	0.01
c)	Central Govt. / State Govt. Co.	1,22,027	1.00
d)	Foreign Portfolio Investors	3,67,213	2.99
e)	Alternate Investment Funds	39,500	0.32
	Sub total (B) (1)	**6,19,376**	**5.05**
2)	**Non-Institutions**		
a)	Private Corporate Bodies	41,46,091	33.81
b)	Directors & their Relatives	51,292	0.42
c)	Indian Public	21,87,202	17.84
d)	NRIs	23,770	0.19
e)	Trust	4,250	0.03
f)	HUF	2,93,063	2.39
g)	IEPF	1,07,116	0.87
h)	Clearing member	10,371	0.08
i)	Unclaimed or Suspense or Escrow Account	10,764	0.09
	Sub Total (B) (2)	**68,33,919**	**55.73**
	Total Public Shareholding (B)(1)+(B)(2)	**74,53,295**	**60.78**
	TOTAL	**1,22,62,185**	**100.00**

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:

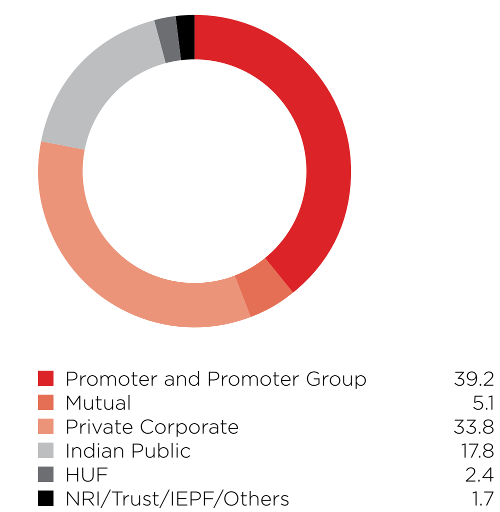
Physical form : 0.88%

Electronic form with NSDL : 88.01%

Electronic form with CDSL : 11.11%

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

Distribution of Shareholding



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 2021-2022.

o) Plant locations

Indian manufacturing locations

Agrochemicals: Milestone-18, Ambala Kalka Road, P. O. Bhankharpur Derabassi, Distt. SAS Nagar, Mohali (Punjab) - 140201

Specialty and Other Chemicals: Villages: Kolimajra & Samalheri, P.O.: Lalru, Distt. SAS Nagar, Mohali (Punjab) - 140501

Industrial Chemicals: 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 Alankit Assignment Ltd, 4E/2, Jhandewalan Extension, New Delhi-110055, Tel: 011-42541234, 011-42541953 Fax: 011-23552001 E-mail: info@alankit.com

   For shares in Demat form To the Depository Participants viz. NSDL and CDSL

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:** Mr. V Srinivas, Company 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.

Report on Corporate Governance

Desirous Members may approach 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.

q) The details of credit rating of the Company as at March 31, 2022 is given below

CARE BBB+ (Triple B Plus; Outlook: Stable) for Long Term Bank Facilities and A2 for Short Term Bank Facilities.

OTHER DISCLOSURES

a) Related Party Disclosures

All related party transactions that were entered into during the financial year 2021-22 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 SEBI (LODR) Regulations, 2015. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel 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 (LODR) Regulations, 2015, detailed related party disclosures as per Accounting Standards, please refer to Note 42 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 https://www.punjabchemicals.com/wp-content/uploads/2022/04/Related-Party-Policy-2022.pdf.

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 during 2020-21, the Company and two Whole Time Directors have settled the alleged violation of the certain regulations of SEBI (LODR) Regulations, 2015 with SEBI by paying settlement charges of ₹ 21.67 Lakh and ₹ 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 http://www.punjabchemicals.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-PCCPL.pdf 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 1st April, 2017 with the transition date of 1st April, 2016 and accordingly the financial results of the Company for all the quarters / annual have been prepared in accordance with the recognition and 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 the 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 Auditors (Standalone payment)

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

	Amount in Lakh
Statutory Audit	19
Limited Review	15
TOTAL	**34**

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 http://www.punjabchemicals.com/wp-content/uploads/2018/07/Policy-for-determining-Material-Subsidiary.pdf.

j) Mandatory Requirements

The Company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015 relating to Corporate Governance.

k) Non Mandatory requirements

The Company has complied with the following non-mandatory requirements of the SEBI (LODR) Regulations, 2015 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 SEBI (LODR) Regulations, 2015 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 direct access to the Chairman, Audit Committee.

MARKET CAPITALISATION AND PRICE-EARNINGS RATIO

	As on March 31, 2022	As on March 31, 2021
a. Closing Price (BSE)	1456.90	875.25
b. Market Capitalisation (₹ in crore)	1786.48	1073.25
c. Price-Earnings Ratio	22.10	21.23

UNCLAIMED SHARES

Pursuant to Regulation 39(4) read with Schedule VI of the SEBI (LODR) Regulations, 2015, 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 01.04.2021	232	11064
(ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	2	300
(iii)	Number of shareholders to whom shares were transferred from Suspense Account during the year.	2	300
(iv)	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year as on 31.03.2022.	230	10764

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.

Report on Corporate Governance

CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the Certificate duly signed by Mr. Shalil S Shroff, Managing Director, Mr. Vinod K Gupta, Chief Executive Officer and Dr. Sriram Swaminathan, Chief Financial Officer was placed before the Board of Directors along with the financial statements for the year ended March 31, 2022 at its meeting held on Thursday, May 5, 2022 forms part of this report.

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 SEBI (LODR) Regulations, 2015.

DECLARATION

As provided under Clause D of schedule V pursuant to Regulation 34 (3) of SEBI (LODR) 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, 2022.

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

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

Place: Mumbai
Date: 5th May, 2022

COMPLIANCE CERTIFICATE

Pursuant to Regulation 17 (8) of SEBI (LODR) Regulations, 2015

We, Shalil S Shroff, Managing Director, Vinod K Gupta, Chief Executive Officer and Dr. 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, 2022:

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 S Shroff	**Vinod K Gupta**	**Dr. Sriram Swaminathan**
Managing Director	Chief Executive Officer	Chief Financial Officer
(DIN No.: 00015621)		

Place: Mumbai
Date: 5th May, 2022

Report on Corporate Governance

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
THE MEMBERS PUNJAB CHEMICALS AND CROP PROTECTION LIMITED
(CIN: L24231PB1975PLC047063)

We have examined the compliance of the conditions of Corporate Governance by Punjab Chemicals and Crop Protection Limited (CIN: L24231PB1975PLC047063) ("the Company"), for the year ended on 31st March 2022, 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 (as amended) (referred to as "SEBI Listing Regulations").

The compliance of the 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 the 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 on 31st March 2022.

We further state that such 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)

P.S. Dua
(FCS No. 4552)
(C. P No. 3934)
UDIN: F004552D000274965
Peer Review Certificate No. 1296/2021

Place: Ludhiana
Dated: 5th May, 2022

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 (hereinafter referred to as 'the Company') 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 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 and who were on the Board of Directors of the Company as on March 31, 2022 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.	Mr. Mukesh D Patel	00009605	19-02-1985
2.	Mr. Shalil S Shroff	00015621	15-01-1998
3.	Capt. Surjit Singh Chopra (Retd.)	00146490	18-08-2004
4.	Mr. Vijay D Rai	00075837	28-02-1985
5.	Ms. Aruna R Bhinge	07474950	29-05-2018
6.	Mr. Sheo Prasad Singh	06493455	28-05-2015
7.	Mr. Avtar Singh	00063569	14-11-1996
8.	Mr. Shivshankar S Tiwari	00019058	28-05-2015**

** Mr. Shivshankar S 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 these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **P. S. Dua & Associates**
(Company Secretaries)

P.S. Dua
(FCS No. 4552)
(C. P No. 3934)
UDIN: F004552D000274965
Peer Review Certificate No. 1296/2021

Place: Ludhiana
Dated: 5th May, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

1. Economy review

1.1 Global economy

Global economy has shown a bounce back in year 2021 after contraction and stress due to COVID-19 pandemic in 2020. According to International Monetary Fund (IMF), global real GDP growth rebounded to 6.1% in year 2021 from 3.1% contraction in year 2020. Wide vaccination coverage, accommodative fiscal policies and relaxation on restriction have helped in increased consumer spending and industrial activity picked up in most economies. The rise in fiscal spending and accommodative monetary policies globally further supported this recovery. Delta wave surge in Q2, 2021 in Asian countries resulted in dampening of mood and spending. However, United States and Europe have shown positive trend in recovery and economic activities are picking up momentum. China continues to adopt Zero tolerance to COVID-19 which continues to be a major challenge to normalisation. Further the supply chain continues to pose challenge as logistics globally struggles with under capacity and trade imbalances.

Business investment picked up in response to robust recovery and greater liquidity. As commodity prices increased, commodity-exporting countries benefited and global trade witnessed renewed growth in exports. International shipping costs rose to multi-year highs in September 2021 as ports were choked and container availability became tight. In the last quarter of CY 2021, the exports of developing countries rose by 30% year over year, whereas exports of developed economies rose by 15%.

Increased economic activities resulted in increased energy cost and Russia-Ukraine crisis has posed another new challenge. This has resulted in high cost of raw material pushing inflation northwards across the world.

Towards the close of the financial year, Inflation in several regions had touched multi-decadal highs and this has become a major concern for all major economies and fiscal tightening is taking place at a much faster pace than anticipated.

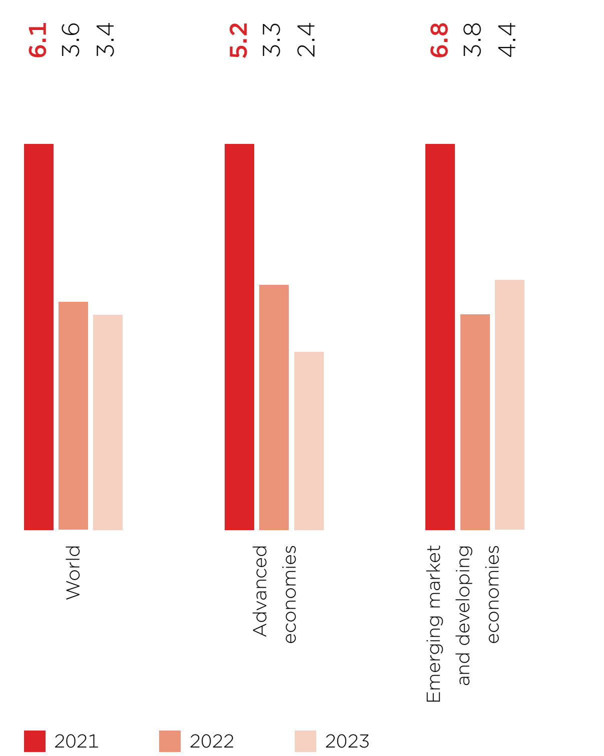
Outlook

The COVID-19 and Russia–Ukraine conflict are resulting into major realignment of economies across the world. World is learning to live with COVID and fastest ever discovery of Vaccine has reposed faith in science and innovation. The world's eyes are tentatively set on the Ukraine-Russia war and the potential economic and humanitarian fallout. The war has heightened fears of global slowdown, supply chain disruptions and rising inflation, and the IMF expects global growth to moderate to 3.6% in CY 2022. The consequent effect on various aspects of the global economy, such as commodities and financial markets, and trade and migration linkages, are evident.

Emerging and developing markets are estimated to grow at slightly higher rate of 3.8% in 2022. Policy response is expected to be aggressive, Energy security and alternate supply chain will be focus area for major economies.

Despite all these challenges, supply-demand imbalance is expected to get resolved and inflationary pressure will ease out. IMF projects reasonable growth over next 2 years.

Real GDP growth (Annual % change) (%)



Source: International Monetary Fund (IMF)

1.2 Indian economy

The start of FY 2021-22 was subdued with the surge of the second wave of the COVID-19 pandemic. However, the economy did not completely lose momentum as lockdowns were localised and government actions were proactive. This was followed by a massive push towards vaccination that helped to contain severity of any subsequent wave of the pandemic.

India's large domestic economy coupled with the government's enormous public spending, both in the form of planned outlays and direct benefit transfers, led to liquidity infusion into the economy, and helped the country consistently grow. Despite global supply chain disruptions and looming uncertainty about the possible resurgence of COVID-19 infections across many parts of the world, domestic macroeconomic conditions diverged from the global configuration and the Indian economy achieved a real GDP expansion of 8.7% in FY 2021-22.

Though economic parameters have gained ground, rising inflation has been a consistent worry. The India's Consumer Price Index (CPI) jumped to a 17-month high of 6.95% in March 2022.

Outlook

India's economic growth in FY 2022-23 will be supported by widespread vaccine coverage, massive public sector spending, easing of regulations, robust export growth, and the availability of fiscal space to ramp up capital spending for several key sectors.

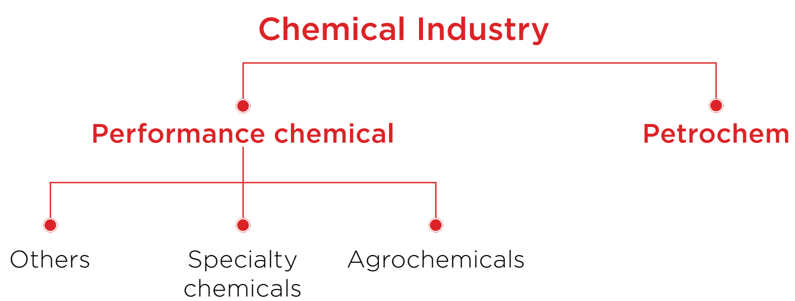
According to the RBI estimates, India's GDP is projected to grow in real terms by 7.2% in the next fiscal year. However, the situation created by the Russia-Ukraine conflict is likely to drag this down to some extent. India's unique geopolitical advantage and its strong economic growth redux afford a certain degree of stability amidst international volatility. Inflation will continue to be main concern and the RBI has already increased policy rates to counter inflation and modified its accommodative stance.

Indian government has accelerated its reforms initiatives like Production Linked Incentives (PLI) schemes and increased infrastructure spending to support the industry. This will provide resilient demand in economy and its ripple effect on other aspects of the economy, such as employment and productivity, will bring India back on track in its medium- to long-term economic objective.

Management Discussion and Analysis

2. Industry Overview

The chemical industry comprises of companies that produce industrial chemicals. It is central to any modern industrialised economy, where it converts raw materials such as oil, natural gas, minerals, etc. into more than 80,000+ products.



Speciality Chemical Market Overview

Importance of Speciality Chemicals in our daily life continues to increase even as income levels in developing and underdeveloped countries rise. The global specialty chemicals market is expected to grow at a CAGR of 4.7% from -market size of US$ 641.2 billion in 2021 to US$ 882.6 billion in 2028. The growth is attributed to rising demand from end-use industries such as agriculture, pulp and paper, pharmaceuticals, personal care and cosmetics, etc. The Indian specialty chemical industry is expected to outperform its peers and double its share in the global market[1].

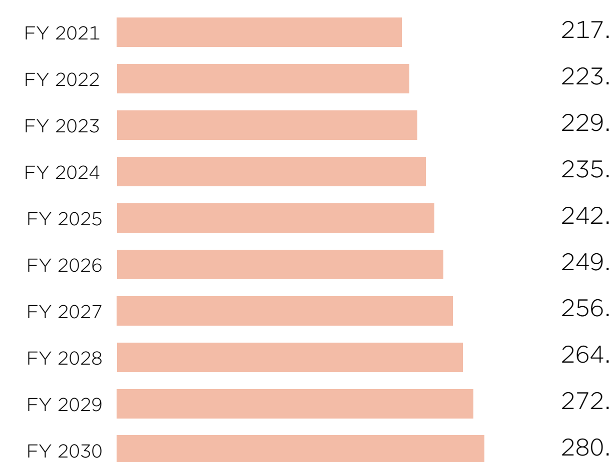
COVID-19 has forced us on the need of alternative sourcing locations for chemicals and India has the potential to become the alternate to China as preferred destination. Hence, Indian Speciality Chemical industry will see lot more interest from multinational companies and export growth will be robust in coming years. Government and industry are taking several steps make this growth coordinated and to reduce dependence of China for Raw Materials.

Agrochemicals Market Overview

The market size of the global agrochemicals market was US$ 218 billion in 2021 and it is expected to grow to US$ 281 billion at a CAGR of 2.7% during the forecast period of 2022-2030. This growth is expected to be driven by a growing global population and shrinking arable land. It is also expected that the agrochemicals market will grow towards more use of pesticides as a large number of pesticides are expected to go off patent which will provide further base to industry in general. India has a skew towards certain crops due to subsidy structure and imbalances in demand and supply. Depleting water table is another big ecological concern where governments are taking several steps to rectify the same including educating farmers, incentivising the cash crops as well as implementing reforms in agriculture sector where 50% population is dependent on the same and the growth in this sector will automatically boost the agrochemicals and specialty chemicals market.

[1] Source: https://www.livemint.com/industry/indias-share-in-global-specialty-chemicals-market-to-double-in-5-years-crisil-11646296797299.html

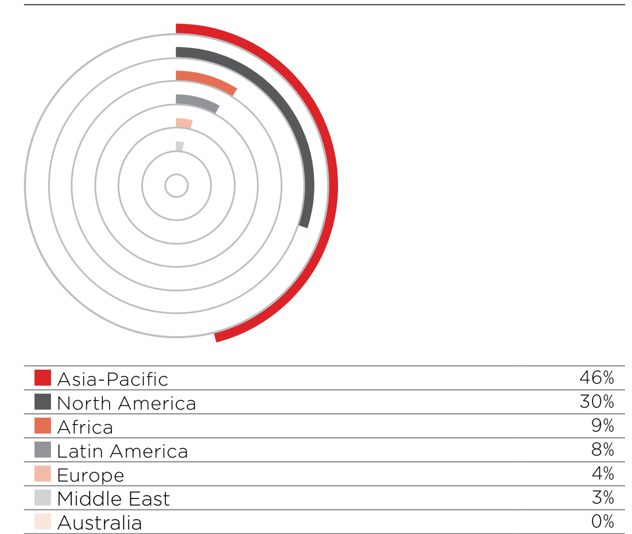
Agrochemical market size, 2021 to 2030 ($US)



Source: Precedence Capital

The performance of the global agrochemical market varies across different geographies. Using exports of agricultural products as a proxy for the size of the agrochemical market, the largest geographical market is the Asian-Pacific region. This is followed by North America, Africa, Latin America, and Europe. The size of the agrochemical market in the Asian-Pacific region is estimated to be the largest because of the huge size of the agriculture sector. According to the Asian Development Bank, around one-third of developing Asia's people are still employed in agriculture[2].

Exports of agricultural product, by geography, 2021



Source: Author's calculations based on data from USDA[3]

[2] Source: https://www.adb.org/sites/default/files/publication/726556/ado2021-update-theme-chapter.pdf

[3] Source: https://apps.fas.usda.gov/opendataweb/home

Within the Asian-Pacific region, India is the third-largest agrochemical market after Japan and China. The Indian agrochemicals industry was valued at around $ 5.72 billion last year and is expected to grow at a CAGR of 8–10% through 2025. According to the ministry of agriculture and farmers welfare, the total area under cultivation in India in CY 2020-21 was 188.595 million hectares out of which 147.349 million hectares were covered by chemical and bio-pesticides. The growth in the Indian agrochemical industry is expected to be driven by the divergence towards cash crops, rising population, and government initiatives. In addition, India still has 50% of its population dependent on agriculture and is, therefore, a very important sector. As this sector grows, demand for Agrochemicals in India will also grow exponentially.

Impact of Climate Change

As per the IPCC, the impact of climate change could soon be irreversible. Some of the expected impacts of climate change are Increase in temperatures, changes in precipitation and weather patterns, and a reduction in water availability.

Changing weather conditions can affect the number of insects, diseases, weeds, fungi, and other pests, which can have a big impact on food availability, affecting food quality, and reducing agriculture productivity. One of the most vital offerings from the chemical industry are crop protection products which help control pests and diseases. Thus, the agrochemical industry is expected to play an important role in fighting climate change.

Performance of Crop Protection Chemicals in 2021

The market increased by 5% in 2021 led by global economic recovery following COVID-19. The 'essential good' nature of agriculture products prevented the crop protection industry from being impacted by the lockdown. However, the industry was indirectly impacted by shipment delays at ports, availability of raw materials, and reduced demand for certain products.

Management Discussion and Analysis

Global Crop Protection Market by region 2021

Asia Pacific	32.3%
Latin America	25.1%
Europe	21.6%
North America	7.6%
Middle East and Africa	3.5%

Source: IHS Markit

The performance of the agrochemical industry differed across geographical regions. The Asia Pacific market is the largest and fastest-growing region. It grew by 8% compared to last year, with China, India, and Japan witnessing growth in their agrochemical sector. In Australia, where severe drought impacted the production of the crops in recent years, rainfall returned in the 2020/21 season which significantly boosted the market growth during the year. In recent years, the European market has been shrinking because of strict regulations and unfavourable weather events. In 2021, however, the region bucked this general trend, with a particularly strong growth of 7% being achieved. Similarly, both the US and Canadian markets are looking generally favourable with higher production of key crops – corn and soybean areas are helping drive market growth. In contrast, during 2021, Latin America notably declined, falling by around 3.0%. The depreciation of currencies in Latin America, particularly so for Brazil which is the largest market for agrochemicals, against the US dollar. In addition to forex, a major influence limiting performance in the season has been dry conditions which have impacted the crop production.

Growth drivers

Rising global population[1]

Global population levels are expected to rise. The rise in demand for food makes the crop protection well-positioned to benefit from rising global populations.

9 billion
Projected global population in 2050

50%
Expected increase in global calorie demand

Increasing Genericization[2]

The past few decades have seen a fall in R&D expenditure in the crop protection sector, with more and more firms relying on off-patent chemistries. The low cost in development of off-patent chemistries is expected to be an important driver of growth for the crop protection industry.

5-10%
Cost of discovery for crop protection product development

10+ years
R&D process for crop protection products

Change in consumer behaviour

As societies become more affluent, there is a shift in demanding products with higher nutrition and better quality. This makes the crop protection industry well-positioned to grow and ensures quality is maintained.

2042
The year the world economy is double its size[1].

Minimising productivity losses

The world loses significant agricultural output to direct attacks caused by pathogens, weeds, etc. The crop protection industry has an important role to play in minimising these productivity losses.

25%
Of total crop produced is lost to pest attacks, weeds, and diseases.

[4] Source: http://www.oxfordsynthesiscdt.ox.ac.uk/resources/SBM-CDT-Agrochemistry.pdf

[5] Source: https://www.agribusinessglobal.com/markets/defining-rd-strategies-in-the-global-crop-protection-industry/

[6] Source: https://www.pwc.com/gx/en/world-2050/assets/pwc-the-world-in-2050-full-report-feb-2017.pdf

Management Discussion and Analysis

Role of CRAMS in Evolving Agrochemical Industry

The last few decades have seen the agrochemical industry continuously evolve because of the emergence of new pests, safety and environment friendliness, biodiversity protection, resistance management, climate changes, and efficient product utilisation rate. Approximately 80% of the global market is dominated by generics and the rest is accounted for by the new active ingredients. In the generics segment, countries like China and India have a big presence. The rate of new active ingredients entering the market has significantly declined because of long product development cycles (-10+ years), huge investments (-$ 300 million), and strict regulations. Global companies have started to outsource various stages of product development to CROs (Contract Research Organisations) and CRAMS (Contract Research and Manufacturing). As a result, the global market for CRAMS is expected to grow at a CAGR of 10% from 2020-2024. MNCs like BASF, Bayer, and Syngenta are already outsourcing more than 70% of their production to either Europe, China, or India. The increasing costs in Europe and the COVID-19 pandemic have helped India become a favourable destination for manufacturing agrochemicals and availing services from CROs.

India Market Review

The Chemical industry in India is a highly diversified market, with over 80,000 commercial products. Globally, India is a major player in the global market ranking 11th in export of chemicals and 6th in import of chemicals[7]. Domestically, the chemical industry is an important source of employment, with the industry employing more than 2 million people[1].

The Chemical sector, including performance chemicals, Agrochemicals, and Speciality Chemicals, is poised for exponential growth over the next few years. Demand is growing and new applications are emerging. This coupled with a rebalancing of global supply chain offers a unique opportunity for India as a country and several global MNCs are looking to expand their presence in India. The government of India is encouraging the Industry to partner with these MNCs for industrial development.

The production of agrochemicals (ex fertiliser) has grown at a CAGR of about 5% in the last five years. The industry is expected to grow at a CAGR of 8–10% by 2025. The agrochemical industry plays a key role in India, with 50% of its total production being exported. Globally, India is the fourth largest producer and fifth largest exporter of agrochemicals.

The Crop Protection chemicals market in India is estimated at $ 3.3 billion in 2021 (in real terms) and grew at a rate of about 8% over 2020. Key trends in the market are a growing need for enhancement of agricultural productivity, and an increase in the adoption of biopesticides. The drivers of growth in the crop protection industry are better timing and spatial distribution of rainfall, higher pest incidence via a-vis last year, and steps by the government to improve farm income.

The spread of coronavirus is expected to have a positive impact on the Indian crop protection chemicals market, largely through reduced manpower resulting from restrictions on the movement of migrant labour. It is expected that this has driven farmers to adopt more pesticides, particularly herbicides with weeding done by hand in large parts of the country.

Policy impetus

The import dependence of the Indian agrochemical industry for raw materials has prompted the government to introduce several initiatives. For example, the government has taken several steps for increasing investment such as enhanced institutional credit to farmers; promotion of scientific warehousing infrastructure for increasing the shelf life of agricultural produce; setting up of Agri-tech Infrastructure Fund for making farming competitive and profitable; developing commercial organic farming, etc. The government is also implementing various schemes for the supply of farm inputs, like seeds, fertilisers, agricultural machinery & equipment, irrigation facilities, institutional credit, etc., at subsidised rates to the farmers in the country. The result of these initiatives has been an increase in the contribution of the agricultural sector to India's GDP. The percentage share of GVA (Gross Value Add) of agriculture & allied sector to the total economy was 17.6 percent in FY 2018-19 to 20.2 percent in FY 2021-22.

7 This excludes pharmaceutical products.

8 Source for entire paragraph: https://www.investindia.gov.in/sector/chemicals

Growth Drivers

China plus one strategy

The global agrochemical industry is dominated by China. Due to growing environmental concerns, many specialty chemical companies in China have ceased their activities, and industries that rely on specialty chemicals are diversifying to different countries. Consequently, Indian manufacturers are looking at expanding their portfolio with value-added products. Rising demand from domestic as well as overseas companies for Indian agrochemicals brings an immense opportunity for growth in the coming years.

Import Substitutes

The Indian Speciality Chemicals Industry is heavily dependent on imports. The government is nudging domestic producers to fulfil this demand. The situation has been exacerbated by the war impeding imports. This can push Indian producers to meet domestic demand.

Domestic Consumption

The average per hectare consumption of agrochemicals in India is approximately 10% of that in the US and the UK, and 5% of that in Japan and China. As awareness and access increase in India, domestic consumption has immense potential to grow.

Patent Expiry

Patent expiry is an important source of growth for pharmaceutical companies. It is estimated that 100+ agrochemicals are expected to go off-patent in the next two years.

This presents a potentially lucrative opportunity for companies in the agrochemical space.

Company overview

Established in 1975, Punjab Chemicals and Crop Protection Limited has evolved from a generic chemical company into a leading contract research and manufacturing company operating in single segment i.e. "Performance chemicals" mainly focusing on agrochemicals and specialty chemicals. Our three state-of-the-art manufacturing facilities across India ensure uninterrupted production. Our motto has always been customer centricity where we align customer experience, customer value, and customer life cycle.

PCCPL is the go-to CRAMS provider for both domestic and international agrochemical companies, thus positioned to gain further advantages as the industry expands. The Company has a comprehensive product portfolio, strong brand presence, and a wide distribution network. All products are well accepted in the domestic retail market and are also exported to large MNC's and brands across five continents.

In the fast growing CRAMS market, PCCPL aims to become a major Indian player in the segment and a preferred partner for manufacturing high-tech performance chemicals. We have a long and proven history of manufacturing and exporting to various agrochemicals and specialty chemicals, thereby giving us the chance to increase the volume and add new products under CRAMS or for outright sale. We have initiated discussions with several big companies to explore such options and are also working to strengthen R&D capability and technical capabilities to cater to these new business opportunities. We have long-term associations with several leading global players and are working to strengthen this relationship with new products and increased business.

The Company's strategy for the coming years is to add value by forwarding integration for various agrochemicals and industrial chemicals. The thrust will be towards value-added agrochemical products in the international market, particularly in Europe, USA, Canada, and Latin America. Our R&D is geared towards introducing the latest agrochemicals and specialty chemicals in domestic and international markets. The aim, as always, will be to meet customer expectations of providing the right quality within desired timelines.

Our strategic priorities include long-term contracts signed with multiple international players. New product launches and registrations are also in the pipeline that will enhance the top and bottom lines in the medium- to long-term.

Management Discussion and Analysis

Business Review

Financial Highlights (Consolidated)

Profit and Loss Summary

(₹ in crores)

Particulars	FY 22	FY 21	Change (%)
Net Sales & Operating Income	933.46	678.18	37.64%
Other Income	0.93	1.83	-49.18%
Total Income	934.39	680.01	37.41%
EBITDA	140.62	97.33	44.48%
Depreciation	16.67	14.86	12.18%
EBIT	123.95	82.47	50.30%
Interest & Other Finance Charges	12.34	13.46	-8.32%
Profit before Tax	111.61	69.01	61.73%
Tax Expense	28.15	19.93	41.24%
Profit after Tax	83.46	49.08	70.05%
Other Comprehensive Income/(Expense) for the year (Net of tax)	0.08	(0.46)	-117.39%
Total Comprehensive Income for the year	83.54	48.62	71.82%
Earnings per share (EPS) Basic and diluted (in ₹)	68.07	40.03	70.05%

Revenue

Revenue increased by 37.64% year over year to ₹ 933.46 crores in FY 2021-22. The increase was driven by contribution from better realisations during the year in addition to growth across existing products. In the CRAMS space, the Company's R&D team is making fresh inroads into product and process research on several new molecules. The Company is continuously looking for new molecules to be added to its product portfolio and is in dialogue with various existing and new customers.

The Derabassi plant contributed ₹ 664 crores to the total revenue through agrochemicals sales in FY 2021-22 as compared to ₹ 501 crores in the previous year, a Y-o-Y increase of 32%. The Speciality and Other Chemicals division at the Lalru plant achieved revenue growth of 26% to ₹ 156 crores as compared to ₹ 124 crores a year ago. The Pune plant revenue increased 113% year over year to ₹ 111 crores.

Export revenue increased by 15.1% to ₹ 487 crores while domestic revenues jumped to ₹ 446 crores, up 74%. The share of export to domestic sales was 52:48 as compared to 62:38 a year ago.

EBITDA

The EBITDA for the year FY 2021-22 was the highest ever at ₹ 140.62 crores, an increase of 44.48% from a year ago. Higher revenues along with increasing margin on account of product mix led to EBITDA outpacing the revenue growth. EBITDA margin improved by 90 bps to 15% for the year.

PAT

The Company has recorded its highest ever PAT in FY 2021-22. PAT increased to ₹ 83.46 crores from ₹ 49.08 crores, up 70% year over year. PAT margin has grown 2.5 times from 3.5% in FY 2017-18 to 8.9% in FY 2021-22. This improvement is owing to improved efficiency and higher contribution.

Capital Structure

The debt to equity ratio improved to 0.4x from 0.5x a year on account of strong financial performance and record PAT, even as debt moved up to ₹ 87 from ₹ 75 crores a year ago. The Company is on track to become debt free over the next few years.

Working Capital

Working capital days increase to 43 in FY 2021-22 from 12 days a year ago. The increase was driven primarily by an increase in inventory due to higher raw material prices as well as higher stocks to prevent any disruptions in production given supply chain disruptions.

Asset and liability composition (Consolidated)

(₹ in crores)

	FY 22	FY 21	Change (%)
Liability			
Equity Share Capital	12.26	12.26	-
Reserves and Surplus	213.36	132.27	61.31%
Total Equity	**225.62**	**144.53**	**56.11%**
Borrowings	87.28	81.41	7.21%
Trade Payables	132.17	113.50	16.45%
Other Liabilities and Provisions	112.19	111.56	0.56%
Total Liabilities	331.64	306.47	8.21%
Total Equity and Liabilities	**557.26**	**451.00**	**-23.56%**
Assets			
Fixed Assets	210.97	187.57	12.48%
Inventories	153.72	101.30	51.75%
Trade Receivables	111.83	83.84	33.38%
Cash and Cash Equivalents	8.42	11.56	-27.16%
Balances with banks and Money at call and short notice	2.83	2.85	-0.70%
Investments	1.37	1.28	7.03%
Advances & Other Assets	68.12	62.60	8.82%
Total Assets	**557.26**	**451.00**	**23.56%**

Key Ratios

Ratio Analysis (Consolidated)	FY 22	FY 21	Change (%)	Detailed explanation for Significant change i.e. 25% or more
Current Ratio	1.29	1.09	18.44%	NA
Debt Equity Ratio	1.44	2.08	-30.47%*	Decrease due to the increase in profit
Debt service coverage ratio	0.43	0.32	33.10%	Increase due to the increase in profit
Return on Equity/Return on Investment	45.09%	40.52%	11.30%	NA
Inventory Turnover	7.32	7.22	1.35%	NA
Trade receivables turnover ratio	9.54	10.31	-7.50%	NA
Trade payables turnover ratio	5.03	4.13	21.76%	NA
Net Capital Turnover Ratio	12.81	35.04	-63.43%	Decrease due to Increase in net working capital which is primarily increase in Inventory and Trade receivables
Net Profit Ratio (%)	0.09	0.07	23.54%	NA
Return on Capital Employed	0.40	0.35	16.07%	NA
Interest coverage ratio	10.04	6.13	63.94%	Increase due to increase in EBIDTA
Operating profit margin	13.27	12.13	9.38%	NA

Detail of any change in return on net worth as compared to the immediately previous financial year along with detailed explanation thereof,

	FY 22	FY 21	Change %	Reason
Return on Net worth	36.99	33.96	8.93%	Due to increase in PAT

Management Discussion and Analysis

SCOT Analysis

Strengths

- Developed an efficient cost-competitive process over the last decade and is maximising the export potential.
- Availability of technically trained manpower and surplus production capacity to fulfil incremental demands.
- A collaborative business model where clients support advance funding the production.
- A consistent track record with domestic clients and a preferred partner of choice for MNC clients.
- Prudent capital allocation driving growth in ROCE.
- A strong balance sheet with low to moderate debt.

Challenges & Risks

- Long gestation period to develop molecules and receive registrations for commercialization. On the positive side, this leads to long-term contracts with clients and better client stickiness.
- The seasonal nature of the demand from the domestic agriculture sector. However the Export revenues help smoothen the seasonality in domestic sales.

Opportunities

- China+1 strategy of global MNCs provides Indian agrochemical producers with a readily available and approachable market.
- The growing world population and the need to provide food security to both producers and consumers of agricultural products give the segment a lot of room to innovate and grow.
- Unattended domestic requirements owing to the war-induced supply chain disruption have created a gap that domestic producers will fill.

Threats & concerns

- The unpredictability of the constantly changing global conditions has exacerbated with the Russia-Ukraine conflict, leading to a rise in energy and raw material prices.

Human Resources

PCCPL has always believed in human empowerment and regards human capital as one of the organisation's most valuable assets. A productive workforce helps in growth, advancement, profitability, and shareholder value. Given our high growth outlook, we are building a confident team and also implementing processes and systems for future growth.

During the year, the Company continued to work on enhancing HR policies and processes to improve performance. The purpose is to develop a value system and behavioural skills that allow it to achieve the Company's short and long-term objectives.

Our primary consideration during the pandemic was the safety, enablement, and engagement of our 1,213 strong workforces. In addition to rigorous implementation of Business Continuity Plans, the Company set up work-from-home infrastructure and mandated appropriate health and safety norms and advisories. To ensure the safety of the workforce, software for thermal and mask recognition was implemented, which is an AI-based solution integrated with the attendance software. The Company also organised seven vaccination camps where COVID-19 vaccines were provided to the employees and contract workers free of cost.

Corporate Social Responsibility

The Company is a strong believer in Corporate Social Responsibilities (CSR) and pledges to contribute to the development of society. PCCPL's CSR Policy focuses on the social environment and economic necessities of the underprivileged.

This year PCCPL spent ₹ 76 lakhs on health care, education, rural development, and poverty eradication, with a thrust on promoting education. Below are the key highlights:

- Supporting education through developing infrastructure at school.s
- Health initiatives
- Donations to NGOs that serve the underprivileged community.

Outlook

PCCPL aims to become a major Indian player in the fast-growing CRAMs segment and a preferred partner for manufacturing high-tech performance chemicals. Having achieved landmark EBITDA and PAT in its history, the Company now is ready to step on to the next leg of growth in the regions of Latin America, South Asia, and the European Union.

The aim, as always, will be to meet customer expectations of providing the right quality within desired timelines. The Company will take advantage of the competitive Indian market by forging relationships with formulators and launching new products.

Its financial strategy is prudent capital allocation that drives growth in ROCE. The Company is on track to be a net debt-free company. The Company is targeting annual sales of ₹ 1,500 crores in the next 2 years and increasing its EBITDA margin by 2-3% through a higher share of CRAMs revenue.

These operational and leverage-related goals will set PCCPL up for achieving its near-term growth goals while guiding it towards its aims of achieving sustainable income and profitability.

Information Technology

Adapting digitally has become the top priority for companies across industries in the post-pandemic world. The Company has also paced to the next level by improving on some key processes, and upgrading its Information Technology infrastructure which includes software, hardware, networking, and security.

The objective is to lead all business processes to as much automation as possible to increase efficiency and accuracy. The Company has developed a framework that utilises various technologies and platforms to offer a seamless and integrated experience to our partners and clients.

The Company has implemented an integrated Enterprise Resource Planning System that uses SAP B1 Hana Ver 10 and G-suite cloud backup to secure critical data across all plant and office locations.

Compliance

The Company has a robust compliance management system that issues proactive warnings in the event of any infractions. The independent Audit Committee and/or the Board of Directors examine the Company's performance regularly to verify that it aligns with the overall company policy and predefined objectives.

Internal Controls and Adequacy

The Company has adequate systems of internal control commensurate with its size and the nature of its operations. The controls provide reasonable assurance that financials and operational information will be recorded reliably and in compliance with applicable statutes. They also safeguard assets from unauthorised use or losses, execute transactions with proper authorisation, and ensure compliance with corporate policies.

The Company has a well-defined manual for delegation of authority for revenue and expenditure approvals. The Company uses the SAP system to record data for accounting, consolidation, and management information purposes, connecting different locations for information exchange.

The Company's Internal auditors ensure the smooth functioning of risk management policies, and build an organisation-wide awareness of risks, across businesses and corporate functions. They develop formal reporting and monitoring processes and build risk management maintenance plans that keep the information updated and refreshed. They also deploy an ERM framework in key business areas and corporate functions aligning risk management with the business planning exercise.

The Company has an Audit Committee of the Board of Directors, the details of which have been provided in the corporate governance report. The Audit Committee reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered, and the audit committee follows up on the implementation of corrective actions. The committee also meets the Company's statutory auditors to ascertain, *inter alia*, their views on the adequacy of internal control systems in the Company and keeps the board of directors informed of its key observations from time to time.

Cautionary Statement

Statements made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations may be "Forward-looking statements" within the meaning of applicable securities laws and regulations. The actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, finished goods prices, raw materials cost and availability, foreign exchange market movements, changes in Governmental regulations and tax structure, economic and political developments within India and the countries with which the Company has business. All the mandatory information's have been included in the MDA section, however if any are unavailable in this section are mentioned elsewhere in the Annual report.

INDEPENDENT AUDITOR'S REPORT

To the Members of Punjab Chemicals and Crop Protection Limited

Report on the Audit of the Standalone Financial Statement

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 2022, 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 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 ("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 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

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.

Description of Key Audit Matter

Revenue recognition

See note 2 (j) and 27 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company recognises revenue from the sales of products and services when control over goods is transferred to the customer/ services are rendered based on the specific terms and conditions of the sale/service 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 and amount of revenue recognized due to pressures to achieve performance targets as well as meeting external expectations.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • 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 (using random sampling). • We performed substantive testing by using statistical sampling for revenue transactions recorded during the financial year. For such samples, verified the underlying documents, including invoices, good dispatch notes, customer acceptances, shipping documents (as applicable) and subsequent receipts in the bank statements to assess whether these are recognized in the appropriate period in which control is transferred or services are provided. • We carried out analytical procedures on revenue recognized during the year to identify unusual variances. • We tested specific item on manual journals posted to revenue ledger selected based on specified risk-based criteria to identify 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.

Other Information

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 auditor's 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.

Management's and Board of Directors' Responsibilities 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 the 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.

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.

Independent Auditor's Report

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 financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 in preparation of standalone 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (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 1 April 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (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:

    a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 41 to the standalone financial statements.

    b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

    d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 52 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

        - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
        - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

       (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note no. 52 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

        - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
        - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

       (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

    e) The final dividend paid by the Company during the year in respect of the dividend declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend. As stated in Note 39(ii) to the financial statements, the Board of Directors of the Company have proposed final divided for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

Independent Auditor's Report

(C) With respect to the matter to be included in the Auditor's 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 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
ICAI UDIN: 22507857AILAUW7696

Place: Mumbai
Date: 5th May, 2022

Annexure A referred to in clause 1 under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditor's Report to the Members of Punjab Chemicals and Crop Protection Limited on the accounts for the year ended 31 March 2022.

We report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment 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 (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Three Residential flats at Tarapur, Palghar, Maharashtra	18 lakhs	STS Chemicals Limited	No	17 years	STS Chemicals Limited was merged in Punjab Chemicals and Crop Protection Limited in 2005. As informed to us, the Company is yet to make the necessary filings for transfer of ownership and that there is no dispute in relation to ownership of these flats.
Lease agreement for Industrial building at H.A.Limited Compound Pimpri, Pune, Maharashtra	Not applicable. Lease premises has immovable Property plant and equipment of ₹ 173 lakhs (Net Value ₹ Nil.)	Excel Phospho Chem (Sole Proprietors)	No	17 years	Excel Phospho Chem was merged with STS Chemicals Limited and STS Chemicals Limited was merged with Punjab Chemicals and Crop Protection Limited in 2005. As informed by the Company Civil Appeal is pending in the District Court, Pune under the Public Premises Act 1971. Also refer to note 41(a) of the financial Statements.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

Independent Auditor's Report

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (in ₹ lakhs)	Amount as reported in the quarterly return/ statement (in ₹ lakhs)	Amount of difference (in ₹ lakhs)	Whether return/statement subsequently rectified
30 June 2021	RBL Bank	Purchases	14,584	13,258	1,326	Yes, the Company has subsequently revised the Statement on 3 May 2022.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in other parties and granted loans to its employees during the year. The requisite information on loans to employees is stated in paragraph (iii)(a) below. Except, as stated above, the Company has not made any investments or granted any loans, secured or unsecured, to Companies, firms or limited liability partnership during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to employees as below.

Particulars	Interest bearing loans to employees Amount in INR Lakhs
Aggregate amount of loan granted during the year	8
Balance outstanding as at Balance Sheet date with employees	6

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, that the terms and conditions of the investments made during the year and loans granted during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of loans given to employees, in our opinion, the repayment of principle and payment of interest has been stipulated and the repayments or receipts have been regular. However, in case of advance in the nature of loan of ₹ 40 lakhs given to Rajhans Nutriments Private Limited in earlier years, the schedule of repayment of principal and payment of interest has not been stipulated and accordingly we are unable to comment on whether the repayments or receipts are regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amounts for more than ninety days in respect of loans given. However, in case of advance in the nature of loans of ₹ 40 lakhs given to Rajhans Nutriments Private Limited in earlier years, the schedule for repayment of principal and payment of interest have not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except as presented in the table below. Further, no such loans or advances in the nature of loans have been granted by the Company to its Promoters and related parties as defined in Clause (76) of Section 2 of Companies Act, 2013 ("the Act").

(INR Lakhs)

	All Parties other than promoters and related parties
Aggregate of loans/advances in nature of loan	
- Repayable on demand (A)	-
- Agreement does not specify any terms or period of Repayment (B)	40
Total (A+B)	**40**
Percentage of loans/advances in nature of loan to the total loans	2%

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any guarantee or security as specified under Section 185 and 186 of the Act. According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of loans, and investments by the Company, in our opinion the provisions of Section 185 and 186 of the Act have been complied with, except for the details reported in the table below relating to non-compliance of Section 186 of the Act.

S. NO.	Non-compliance of Section 186	Name of company/ party	Nature of relationship with company	Maximum amount during the year	Balance as at balance sheet date	Remarks, if any
1	Defaults with respect to subsection (4), (5) and (9) of Section 186 of the Act in relation to Advance granted in the nature of loan.	Rajhans Nutriments Private Limited	Not a related party	INR 40 lakhs	INR 40 Lakhs	

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account 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, in our opinion 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, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases of Employees' State Insurance, GST, income tax and other statutory dues.

According to the information and explanations given to us, and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident Fund, Employees' State Insurance, Income tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 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.

Independent Auditor's Report

(b) According to the information and explanations given to us and on the basis of the examination of the records of the Company, statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows

(All amounts are 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	1,373	-	Assessment Year 2008-2009, 2009-2010 and 2017-2018	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income tax	142	70	Assessment Year 2007-2008, 2011-12 to 2015-2016 and 2018-2019 to 2020-2021	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

*amount as per demand orders including interest and penalty, wherever indicated in the order.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loan during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act. Further, the Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2022.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. Further, the Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2022.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not a part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) of the Order are not applicable.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Gaurav Mahajan
Partner
Membership No. 507857
ICAI UDIN: 22507857AILAUW7696

Place: Mumbai
Date: 5th May, 2022

Independent Auditor's Report

Annexure B to the Independent Auditors' report on the standalone financial statements of Punjab Chemicals & Crop Protection Limited for the period ended 31 March 2022.

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 2(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 financial statements of Punjab Chemicals & Crop Protection Limited ("the Company") as of 31 March 2022 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 financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 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 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to 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
ICAI UDIN: 22507857AILAUW7696

Place: Mumbai
Date: 5th May, 2022

BALANCE SHEET

as at 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	20,618	18,231
Right of use assets	4	479	526
Capital work-in-progress	3	675	1,496
Other intangible assets	5	88	132
Intangible assets under development	5	49	54
Financial assets			
- Investments	6	132	128
- Other financial assets	7	352	300
Income tax assets (net)	8	649	649
Other non-current assets	9	424	308
Total non-current assets		**23,466**	**21,824**
Current assets			
Inventories	10	15,372	10,130
Financial assets			
- Investments	6	5	-
- Trade receivables	11	11,176	8,378
- Cash and cash equivalents	12	692	1,140
- Bank balances other than above	13	283	285
- Loans	14	1,940	2,089
- Other financial assets	7	690	1,135
Other current assets	15	3,813	2,043
Total current assets		**33,971**	**25,200**
Total Assets		**57,437**	**47,024**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,226	1,226
Other equity	17	22,941	15,151
Total equity		**24,167**	**16,377**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	18	5,456	6,472
- Lease liabilities	19	387	479
Provisions	20	1,680	1,557
Deferred tax liabilities	21	410	306
Other non-current liabilities	22	267	492
Total non-current liabilities		**8,200**	**9,306**
Current liabilities			
Financial liabilities			
- Borrowings	18	3,272	1,669
- Lease liabilities	19	217	171
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	23	689	721
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	12,439	10,547
- Other financial liabilities	24	3,618	3,200
Other current liabilities	25	2,190	3,276
Provisions	20	530	600
Current tax liabilities (net)	26	2,115	1,157
Total current liabilities		**25,070**	**21,341**
Total liabilities		**33,270**	**30,647**
Total equity and liabilities		**57,437**	**47,024**

Significant accounting policies 2
Notes to the standalone financial statements 3-52
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: Mumbai
Date: 5th May, 2022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer
Place: Mumbai
Date: 5th May, 2022

V Srinivas
GM (Legal) & Company Secretary
Place: Mumbai

Dr Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
INCOME			
Revenue from operations	27	93,057	67,641
Other income	28	72	95
Total income		**93,129**	**67,736**
EXPENSES			
Cost of materials consumed	29	58,093	39,525
Purchases of stock-in-trade	30	625	445
Changes in inventories of finished goods, stock-in- trade and work-in progress	31	(1,780)	538
Employee benefits expense	32	7,662	6,768
Finance costs	33	1,199	1,232
Depreciation and amortization expense	34	1,667	1,486
Other expenses	35	14,621	10,931
Total expenses		**82,087**	**60,925**
Profit before tax		**11,042**	**6,811**
Tax expense	36		
Current tax		2,840	1,315
Deferred tax charge		120	442
Total tax expense		**2,960**	**1,757**
Profit for the year		8,082	5,054
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		(67)	65
- Equity investments through other comprehensive income- net change in fair value		4	10
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		17	(16)
- Equity investments through other comprehensive income- net change in fair value		(1)	(2)
Other comprehensive income / (loss) for the year (net of tax)		**(47)**	**57**
Total comprehensive income for the year		**8,035**	**5,111**
Earnings per equity share [nominal value of ₹ 10 (previous year ₹ 10)]	37		
Basic (₹)		65.92	41.22
Diluted (₹)		65.92	41.22

Significant accounting policies 2
Notes to the standalone financial statements 3-52
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: Mumbai
Date: 5th May, 2022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer

V Srinivas
GM (Legal) & Company Secretary

Dr Sriram Swaminathan
Chief Financial Officer

Place: Mumbai
Date: 5th May, 2022

Place: Mumbai

Place: Mumbai

STATEMENT OF CASH FLOW
for the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flow from operating activities		
Profit before tax	11,042	6,811
Adjustments for:		
Depreciation and amortization expense	1,667	1,486
Liability no longer required written back	(6)	(6)
Reversal of impairment loss on doubtful advances	(4)	(28)
Interest income	(39)	(32)
Amortization of government grants	(2)	(2)
Finance cost	1,199	1,232
Unrealised foreign exchange loss / (gain) net	(13)	46
Advances written off	-	1
Property, plant and equipment written off	-	9
Loss/(gain) on sale of property, plant and equipment (net)	33	(21)
Gain on fair valuation of mutual fund	(5)	-
Expected credit loss on trade receivable	35	3
Provision for capital advance	40	-
Rental income	(1)	(1)
Operating cash flow before working capital changes	**13,946**	**9,498**
Changes in working capital:		
(Increase) in trade receivables	(2,811)	(3,323)
(Increase) in inventories	(5,242)	(1,482)
(Increase) in other current and non-current assets	(1,769)	(469)
(Increase) / decrease in current and non-current other financial assets	(23)	254
Decrease in current and non-current loans	140	50
Increase in trade payables and other liabilities	561	5,393
Increase/(decrease) in other current financial liabilities	415	(2,924)
(Decrease) in long-term and short-term provisions	(14)	(981)
Cash generated from operating activities	**5,203**	**6,016**
Income tax paid (net)	(2,018)	(1,306)
Net cash generated from operating activities (A)	**3,185**	**4,710**
B. Cash flow from investing activities		
Acquisition of property, plant and equipment (including capital advances)	(3,266)	(3,692)
Proceeds from sale of property, plant and equipment	62	357
Proceeds from sale of investment property	-	1,782
Proceeds from insurance claim	467	221
Movement in other bank balances	4	(123)
(Increase) in deposits with original maturity of more than 12 months	(39)	15
Interest received	28	27
Rental income	1	1
Net cash flows (used in) investing activities (B)	**(2,743)**	**(1,412)**
C. Cash flow from financing activities		
Proceeds from non-current borrowings	152	4,994
Repayments of non-current borrowings	(1,050)	(1,776)
Payment of lease liabilities (including interest on lease liabilities)	(256)	(87)
Proceeds/(repayments) of current borrowings (net)	1,487	(4,062)
Payment of dividend (including corporate dividend tax)	(243)	(181)
Finance cost paid	(980)	(1,158)

STATEMENT OF CASH FLOW
for the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31 March 2022	Year ended 31 March 2021
Net cash flows (used in) financing activities (C)	**(890)**	**(2,270)**
Net increase in cash and cash equivalents (A+B+C)	**(448)**	**1,028**
Cash and cash equivalents at the beginning of the year	**1,140**	**112**
Cash and cash equivalents at the end of the year	**692**	**1,140**
Notes:		
1. Cash and cash equivalents include:		
Balances with banks		
- In current accounts	685	1,121
- Deposits with original maturity of less than three months	0	13
Cash on hand	7	6
	692	**1,140**

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 18 for reconciliation of movements of liabilities to cash flows arising from financing activities.
4. During the year, the Company paid in cash ₹ 76 (previous year: ₹ 8) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 44).

Significant accounting policies 2
Notes to the standalone financial statements 3-52
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: Mumbai
Date: 5th May, 2022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer
Place: Mumbai
Date: 5th May, 2022

V Srinivas
GM (Legal) & Company Secretary
Place: Mumbai

Dr Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

a. Equity share capital:

Equity share capital:	Note	Amount
Balance as at 1 April 2020	16	**1,226**
Changes in equity share capital during the year		-
Balance as at 31 March 2021	16	**1,226**
Changes in equity share capital during the year		-
Balance as at 31 March 2022		**1,226**

b. Other Equity:

	Reserves and surplus						Other comprehensive income	
	Capital reserve	Securities premium	Capital redemption reserve	Capital reduction reserve	Amalgamation reserve	Retained earnings	Equity instruments through other comprehensive income	Total
Balance as at 1 April 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)
- Other comprehensive (expense) (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**
Total comprehensive income for the year ended 31 March 2022								
- Profit for the year	-	-	-	-	-	8,082	-	8,082
- Dividend	-	-	-	-	-	(245)	-	(245)
- Other comprehensive income (net of tax)	-	-	-	-	-	(50)	3	(47)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**7,787**	**3**	**7,790**
Balance as at 31 March 2022	**309**	**5,707**	**28**	**21**	**19**	**16,844**	**13**	**22,941**

Note: Refer to note 17 for nature and purpose of other equity

Significant accounting policies	2
Notes to the standalone financial statements	3-52

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: Mumbai
Date: 5th May, 2022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer
Place: Mumbai
Date: 5th May, 2022

V Srinivas
GM (Legal) & Company Secretary
Place: Mumbai

Dr Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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 agrochemicals, 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 2022 were approved for issue by the Company's Board of Directors on 05 May 2022.

(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 Ind AS 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.

Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

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:

- 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(e) and 5 – Assessment of useful life of Intangible assets
- Note 2(n), 2(o), 20 and 41 – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2(m), 26, and 36 – 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 40 – Measurement of defined benefit obligations: key actuarial assumptions
- Note 2(h) – Impairment of financial assets; impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 2(g) – Valuation of inventories

(v) Current versus non-current classification

The Company presents assets and liabilities in the Statement of Assets and Liabilities based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(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)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

- 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)
- 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 FVOCI 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(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.

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 - 58 Years
Plant and equipment	3 - 15 Years	1 - 20 Years
Electrical installations	10 Years	4 - 10 Years
Vehicles	8 Years	8 Years
Furniture and fittings	10 Years	2 - 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

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, furniture and fixture 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.

The Company recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

(e) 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 - 5 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.

(f) 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

(g) 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.

(h) 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 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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.

(i) 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.

(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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

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.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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.

Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Company has opted for this benefit in earlier years.

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.

Onerous contracts

A provision for onerous contract is recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognises any impairment loss on assets associated.

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

(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.

(t) 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.

(u) 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.

(v) Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Company is charged to the Statement of the Profit and Loss.

(w) 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.

(x) Recent Indian Accounting Standards (Ind AS)

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment – For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in Statement of Profit and Loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 41 Agriculture– This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.
- Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

Difference in case of subsidiary/associate/ JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary/associate/JV can be measured based Consolidated Financial Statements.

- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(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
Balance as at 1 April 2020	**5,395**	**-**	**1,885**	**10,756**	**210**	**1,027**	**338**	**19,611**
Additions	-	-	777	2,497	140	187	57	3,658
Disposals /other adjustments	-	-	-	88	-	56	4	148
Balance as at 31 March 2021	**5,395**	**-**	**2,662**	**13,165**	**350**	**1,158**	**391**	**23,121**
Balance as at 1 April 2021	5,395	-	2,662	13,165	350	1,158	391	23,121
Additions	-	-	585	2,963	20	236	113	3,917
Disposals /other adjustments	-	-		64	-	90	118	272
Balance as at 31 March 2022	**5,395**	**-**	**3,247**	**16,064**	**370**	**1,304**	**386**	**26,766**
Accumulated depreciation								
Balance as at 1 April 2020	**-**	**-**	**441**	**2,746**	**85**	**350**	**125**	**3,747**
Depreciation for the year	-	-	137	856	34	134	50	1,211
Disposals /other adjustments	-	-	-	34	-	31	3	68
Balance as at 31 March 2021	**-**	**-**	**578**	**3,568**	**119**	**453**	**172**	**4,890**
Depreciation for the year	-	-	134	1,069	31	134	67	1,435
Disposals /other adjustments	-	-		30	-	43	104	177
Balance as at 31 March 2022	**-**	**-**	**712**	**4,607**	**150**	**544**	**135**	**6,148**
Carrying amounts (net)								
As at 31 March 2021	**5,395**	**-**	**2,084**	**9,597**	**231**	**705**	**219**	**18,231**
As at 31 March 2022	**5,395**	**-**	**2,535**	**11,457**	**220**	**760**	**251**	**20,618**

Notes:

a. Plant and equipment includes ₹ 44 (previous year: ₹ 44) worth of equipment acquired under United Nations Industrial Development Organization grant scheme.

b. Plant and equipment includes ₹ 145 (previous year: ₹ 24) of capitalization towards research and development.

c. Refer note 18 for information on property, plant and equipment pledged as security by the Company.

d. Refer note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

e. The Company has capitalized the following expenses 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 2022	Year ended 31 March 2021
Salaries, wages and bonus	127	72
Power and fuel	14	28
Finance costs	56	151

f) Title deed of immovable property not held in the name of Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Three Residential flats at Tarapur, Palghar, Maharashtra	18 lakhs	STS Chemicals Limited	No	17 Years	STS Chemicals Limited was merged in Punjab Chemicals and Crop Protection Limited in 2005. The Company is in the process of filing for transfer of ownership and that there is no dispute in relation to ownership of these flats.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

g. Capital work in progress

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total
Balance as at 1 April 2020	**-**	**-**	**448**	**980**	**-**	**-**	**-**	**1,428**
Additions	-	-	591	2,662	-	-	-	3,253
Disposals /other adjustments	-	-	-	-	-	-	-	-
Capitalisations	-	-	752	2,433	-	-	-	3,185
Balance as at 31 March 2021	**-**	**-**	**287**	**1,209**	**-**	**-**	**-**	**1,496**
Additions	-	-	260	1,866	-	-	-	2,126
Disposals /other adjustments	-	-	-	-	-	-	-	-
Capitalisations	-	-	439	2,508	-	-	-	2,947
Balance as at 31 March 2022	**-**	**-**	**108**	**567**	**-**	**-**	**-**	**675**

Represents capital work in progress capitalized during the current year (other than amount mentioned in note e above) and previous year.

Capital-work- in progress ageing schedule as at 31 March 2022

CWIP	Amount in CWIP for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Projects in progress	610	65	-	-	675	Refer note below
Projects temporarily suspended	-	-	-	-	-	
Total	**610**	**65**	**-**	**-**	**675**	

Capital-work- in progress ageing schedule as at 31 March 2021

CWIP	Amount in CWIP for a period of				
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress	1,496	-	-	-	1,496
Projects temporarily suspended	-	-	-	-	-
Total	**1,496**	**-**	**-**	**-**	**1,496**

Note: Capital work in progress amounting to ₹ 65 is overdue as per the original plan Subsequently the Company has revised its plan for the projects which are outstanding for more then a year. As per revised plan the expected date of capitalisation is upto October 2022.

Note 4: Right of use asset

	Leasehold Land	Building	Furniture and fixtures	Total
Balance as at 1 April 2020	3	641	23	667
Additions	-	-	-	-
Depreciation for the year	-	138	3	141
Balance as at 31 March 2021	**3**	**503**	**20**	**526**
Balance as at 1 April 2021	3	503	20	526
Additions	-	130	-	130
Depreciation for the year	-	174	3	177
Balance as at 31 March 2022	**3**	**459**	**17**	**479**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Notes:

a. The Company has also taken or 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 ₹ 46 (previous year ₹ 21) towards expenses relating to short-term leases for which the recognition exemption has been applied.

b. The total cash outflow for leases, including cash outflow for short term and low value leases, is ₹ 302 (previous year ₹ 108).

c. Lease agreement not held in the name of Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Lease agreement for Industrial building at H.A. Limited Compound Pimpri, Pune, Maharashtra	Not applicable. Lease premises has immovable Property plant and equipment of ₹ 173 lakhs (Net Value ₹ Nil.)	Excel Prospho Chem (Sole Proprietors)	No	17 Years	Excel Phospho Chem was merged with STS Chemicals Limited and STS Chemicals Limited was merged with Punjab Chemicals and Crop Protection Limited in 2005. The appeal is pending in the District Court, Pune under the Public Premises Act 1971. Also refer to note 41(a) (iii) of the financial Statements.

Note 5: Other intangible assets and intangible assets under development

Gross carrying amount

	Computer Software	Product registrations	Technical know how	Total
Balance as at 1 April 2020	181	711	320	1,212
Additions - internally generated	-	-	-	-
Additions - acquired	-	7	-	7
Disposals	-	-	-	-
Balance as at 31 March 2021	**181**	**718**	**320**	**1,219**
Balance as at 1 April 2021	181	718	320	1,219
Additions - internally generated				-
Additions - acquired	11			11
Disposals				-
Balance as at 31 March 2022	**192**	**718**	**320**	**1,230**
Accumulated amortisation				
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**
Balance as at 1 April 2021	132	650	305	1,087
Amortisation for the year	37	12	6	55
Disposals	-	-	-	-
Balance as at 31 March 2022	**169**	**662**	**311**	**1,142**
Carrying amounts (net)				
As at 31 March 2021	**49**	**68**	**15**	**132**
As at 31 March 2022	**23**	**56**	**9**	**88**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note:

a. As at 31 March 2022, the estimated remaining amortization period for intangible assets are as follows:

	As at 31 March 2022	As at 31 March 2021
Computer Software	0 to 3 years	0 to 3 years
Product registrations	0.17 to 9 years	0.17 to 9 years
Technical know how	0 to 1 years	0 to 1 years

b. Intangible assets under development

	Computer Software	Product registrations	Technical know how	Total
Balance as at 1 April 2020	**4**	**64**	**-**	**68**
Additions	3	1	-	4
Disposals	-	11	-	11
Capitalisations	-	7	-	7
Balance as at 31 March 2021	**7**	**47**	**-**	**54**
Additions	-	2	-	2
Disposals	-	-	-	-
Capitalisations	7	-	-	7
Balance as at 31 March 2022	**-**	**49**	**-**	**49**

c. Intangible assets under development ageing schedule as on 31 March 2022:

Intangible assets under development	Amount in intangible assets under development for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Product registration projects	3	-	3	43	49	Refer note below
Total	**3**	**-**	**3**	**43**	**49**	

Intangible assets under development ageing schedule as on 31 March 2021:

Intangible assets under development	Amount in intangible assets under development for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Product registration projects	-	-	3	51	54	Refer note below
Total	**-**	**-**	**3**	**51**	**54**	

Note: These projects relate to certain product registration submission to regulatory authority for which the necessary approvals are currently awaited. These approval are expected to be received in the near term basis which these will be capitalised as product registration.

Note 6: Investments

A. Non- current investments

	As at 31 March 2022	As at 31 March 2021
Investments in equity shares		
Quoted equity shares		
Equity shares (at fair value through other comprehensive income)		
- Bank of Baroda 187 (31 March 2021: 187) equity shares of ₹ 10 each fully paid-up	0.21	0.14
- Canara Bank 63 (31 March 2021: 63) equity shares of INR 10 each fully paid-up	0.14	0.10
	0.35	**0.24**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

	As at 31 March 2022	As at 31 March 2021
Unquoted equity shares		
Subsidiary companies (at cost)		
- SD Agchem (Europe) N.V. 16,612 (31 March 2021: 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 2021: 84,375) equity shares of INR 10 each fully paid-up	122	118
- Mohali Green Environment Private Limited 100,000 (31 March 2021: 100,000) equity shares of INR 10 each fully paid-up	10	10
- SVC Cooperative Bank Limited 100 equity shares (31 March 2021: 100) equity shares of INR 25 each fully paid-up	0.03	0.03
	2,727	**2,723**
Impairment in value of investments		
Subsidiary Companies:		
- SD Agchem (Europe) N.V 16,612 (31 March 2021: 16,612) equity shares of Euro 615 each fully paid-up	2,595	2,595
	2,595	**2,595**
Total non-current investments	**132**	**128**

B. Current investments

	As at 31 March 2022	As at 31 March 2021
Quoted		
Investments in mutual funds measured at fair value through statement of profit and loss		
36.2 (31 March 2021: Nil) units of INR 5164.43 in Nippon India Mutual Fund.	2	-
23,864.8(31 March 2021: Nil) units of INR12.33 in IDFC Mutual Fund.	3	-
Total current investments	**5**	**-**
Aggregate book value of quoted investments ^	4.97	4.97
Aggregate market value of quoted investments ^	5.16	0.24
Aggregate value of unquoted investments	2,727	2,723
Aggregate amount of impairment in value of non-current investments	2,595	2,595

^ Value of investment is less than ₹ 1 lakh(previous year: less than ₹ 1 lakh).

Note 7: Other financial assets
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Security deposits	290	76	278	75
Deposits with remaining maturity of more than 12 months	62	-	22	-
Interest receivable	-	31	-	19
Export incentive recoverable	-	442	-	581
Insurance claim receivable	-	-	-	460
Other receivable	-	141	-	-
	352	**690**	**300**	**1,135**

Refer note 38(b) for information about credit risk and market risk of other financial assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 8: Income tax assets (net)

	As at 31 March 2022	As at 31 March 2021
Advance income-tax and tax deducted at source (net of provision of ₹ 1,456 (31 March 2021: ₹ 1,456)	649	649
	649	**649**

Note 9: Other non-current assets
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
Capital advances		
- to others considered good	424	308
- to others considered doubtful	40	
Less- Provision for doubtful	(40)	-
	424	**308**

Note 10: Inventories

	Note	As at 31 March 2022	As at 31 March 2021
Raw materials	(a), (b)	9,152	6,068
Work-in-progress	(b)	1,903	1,353
Finished goods	(a)	3,269	2,012
Stock-in-trade		11	38
Stores and spares		847	535
Packing material		190	124
		15,372	**10,130**

Notes:

(a) Includes goods-in-transit:		
- raw materials	1,126	822
- finished goods	305	419

Note 11: Trade receivables
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2022 Current	As at 31 March 2021 Current
Trade receivables	11,274	8,444
Trade receivables from related party (refer note 42)	47	48
Less: expected credit loss allowance	(145)	(114)
	11,176	**8,378**
Break-up of trade receivables:		
Trade receivable considered good - Secured	-	-
Trade receivable considered good - Unsecured	11,249	8,420
Trade receivable which have significant increase in credit risk	51	51
Trade receivable - credit impaired	21	21
Total	**11,321**	**8,492**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

	As at 31 March 2022 Current	As at 31 March 2021 Current
Less: expected credit loss allowance		
- Trade receivable considered good - secured	-	-
- Trade receivables considered good - unsecured	(73)	(42)
- Trade receivables which have significant increase in Credit risk	(51)	(51)
- Trade Receivables – credit impaired	(21)	(21)
Total trade receivables	**11,176**	**8,378**

Trade receivables ageing schedule:

As at 31 March 2022	Outstanding for following periods from due date of payment									
	Unbilled	Not due	< 6 months	6 months -1 year	1 year - 2 years	2 year - 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed Trade Receivable - considered good	1,191	7,675	2,220	17	4	14	127	11,249	73	11,176
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	43	43	43	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	21	21	21	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	8	8	8	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-		-	-	-
Total	**1,191**	**7,675**	**2,220**	**17**	**4**	**14**	**200**	**11,321**	**145**	**11,176**

As at 31 March 2021	Outstanding for following periods from due date of payment									
	Unbilled	Not due	< 6 months	6 months -1 year	1 year - 2 years	2 year - 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed Trade Receivable - considered good	398	2,117	5,682	76	5	6	136	8,420	42	8,378
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	43	43	43	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	21	21	21	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	8	8	8	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-		-	-	-
Total	**398**	**2,117**	**5,682**	**76**	**5**	**6**	**208**	**8,492**	**114**	**8,378**

Refer note 38(b) for information about credit risk and market risk of trade receivables.

Refer note 18(C) for hypothecation of current assets against term loan.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 12: Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- Current accounts	685	1,121
- Fixed deposits with original maturity upto three months	0	13
Cash on hand	7	6
	692	**1,140**

Refer note 18(C) for hypothecation of current assets against term loan.

Note 13: Bank balances other than above

	As at 31 March 2022	As at 31 March 2021
Deposit accounts with original maturity more than 3 months and upto 12 months from the reporting date #	278	282
Balance in unclaimed dividend accounts	5	3
	283	**285**

These deposits include restricted bank deposits ₹ 203 (31 March 2021: ₹ 156) pledged as margin money.

Note 14: Loans

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Advances recoverable from related party (refer note 42)				
- considered good	-	1,934	-	1,948
Advances recoverable from others				
- considered good	-	-	-	135
- considered doubtful	16	24	16	24
Less: expected credit loss allowance	(16)	(24)	(16)	(24)
Loans to employee	-	6	-	6
	-	**1,940**	**-**	**2,089**

Refer note 38(b) for information about credit risk and market risk of loans.

Note 15: Other current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
Recoverable from/ balances with government authorities		
- considered good	2,392	1,358
- considered doubtful	41	169
Less: provision for doubtful balance recoverable from government authorities	(41)	(169)
Advances for supply of goods and services	667	236
Export benefit receivable on advance licecne	171	-
Prepaid expenses	223	136
Contract assets	359	308
Others	1	5
	3,813	**2,043**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 16: Equity Share capital

(i) Details of share capital

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 10 each	19,800,000	1,980	19,800,000	1,980
9.8% redeemable cumulative preference shares of ₹ 100 each	20,000	20	20,000	20
	19,820,000	**2,000**	**19,820,000**	**2,000**
Issued Shares				
Equity shares of ₹ 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 ₹ 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 2022		As at 31 March 2021	
	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 ₹ 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 2022		As at 31 March 2021	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Hem-sil Trading and Manufacturing Private Limited	4,017,318	32.76%	4,017,318	32.76%
Gowal Consulting Services Private Limited	3,000,000	24.47%	3,000,000	24.47%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2022

During the five years immediately preceding 31 March 2022, 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.

(vi) Promotors Shareholdings

S. No.	Promoter's name	As at 31 March 2022		As at 31 March 2021		% change during the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Rupam Shalil S Shroff	207,293	1.69	207,293	1.69	-
2	Shalil S Shroff	230,581	1.88	230,581	1.88	-
3	Shalil Shroff HUF	77,652	0.63	77,652	0.63	-
4	Hemal Raju Shete	212,812	1.74	212,812	1.74	-
5	Malvika Shalil Shroff	35,340	0.29	35,340	0.29	-
6	Inshika Shalil Shroff	27,894	0.23	27,894	0.23	-
7	Hem-sil Trading and Manufacturing Pvt Ltd.	4,017,318	32.76	4,017,318	32.76	-
Total		**4,808,890**	**39.22**	**4,808,890**	**39.22**	**-**

Note 17: Other equity

(i) Capital reserve

Capital reserve represents the forfeited share application money of ₹ 185 received for preferential convertible warrants in 2008-2009 and ₹ 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

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 18: Borrowings

	Note	As at 31 March 2022	As at 31 March 2021
A. Non-current borrowings			
Secured			
From Banks			
Term loan	(a), (b)	4,954	5,957
From Others			
Vehicle finance scheme	(c)	158	49
Hire Purchase finance scheme	(d)	-	5
		5,112	**6,011**
Unsecured			
From Others			
Inter-corporate deposits - from related party (refer note 42)	(e)	1,585	1,585
		1,585	**1,585**
Total non current borrowings (including current maturities)		**6,697**	**7,596**
Less: Current maturities of non-current borrowings		1,241	1,124
		5,456	**6,472**

Notes:

(a) Term loan from RBL Bank amounting to ₹ 496 (31 March 2021: ₹ 991) carrying interest rate of 11.25% p.a. (31 March 2021: 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 previous year, the Company had availed the moratorium extension announced by Reserve Bank of India. Accordingly, the loan was repayable in 12 equal quarterly installments of ₹ 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.

(b) Term loan from SVC Co-operative Bank Ltd. amounting to ₹ 4,458 (31 March 2021: ₹ 4,966) carrying interest rate of 9.70% p.a. (31 March 2021: 9.70%) 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 70 (31 March 2021: 78) equal monthly installments.

(c) Loan from Indostar Capital Finance Limited under vehicle finance scheme amounting to ₹ 7 (31 March 2021: ₹ 49) carrying interest rate of 11.03% (31 March 2021: 11.03%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in 5 (31 March 2021: 17) equal monthly installments.

Loan from SVC Co-operative Bank Limited under vehicle finance scheme amounting to ₹ 151 (31 March 2021: Nil) carrying interest rate of 7.75% (31 March 2021: Nil) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in 60 (31 March 2021: Nil) equal monthly installments.

(d) Loan from Hewlett Packard Financial Services (India) Private Limited under hire purchase scheme amounting to ₹ Nil (31 March 2021: ₹ 5) carrying interest rate of 13.86% (31 March 2021: 13.86%) for purchase of computer hardware. The loan is repayable in Nil (31 March 2021: 3) equal quarterly instalments.

(e) Inter-corporate deposits amounting to ₹ 1,585 (31 March 2021: INR 1,585) is carrying interest rate of 12.75% to 16.50% p.a (31 March 2021: 12.75% to 16.50% p.a).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

	Note	As at 31 March 2022	As at 31 March 2021
B. Current borrowings			
Loans repayable on demand			
- from banks (secured)	(a)	2,031	545
Others			
- Current maturity of non-current borrowings		1,241	1,124
		3,272	**1,669**
		8,728	**8,141**

Notes:

(a) Cash credit amounting to ₹ 2,031 (31 March 2021: Nil) carrying interest rate of 8.75% p.a. (31 March 2021: Nil) 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 Derabassi, Punjab and exclusive charge by way of hypothecation on all movable property, including plant and machinery, situated at Derabassi, Punjab.

(b) Packing credit amounting to ₹ Nil (31 March 2021: ₹ 545) availed in foreign currency carrying interest rate of Nil. (31 March 2021: 6%) is secured by exclusive charge by way of hypothecation on all current assets of the Company, both present and future. It was 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.

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 2022	As at 31 March 2021
Property, plant and equipment	19,838	17,436
Inventory	15,372	10,130
Other current assets (including financial assets)	18,599	15,070
	53,809	**42,636**

D. Reconciliation of movements of liabilities to cash flows arising from financing activities

	As at 31 March 2022	As at 31 March 2021
Borrowings at the beginning of the year (current and non-current borrowings)	8,141	9,182
Proceeds from non-current borrowings	152	4,994
Repayment of non-current borrowings	(1,015)	(1,776)
Repayment / proceeds of current borrowings (net)	1,487	(4,259)
Borrowings at the end of the year (current and non-current borrowings)	**8,764**	**8,141**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 19: Lease liabilities

	As at 31 March 2022	As at 31 March 2021
Non-current		
Total non current lease liability (including current maturities)	604	650
Less: Current maturities of non-current lease liabilities	217	171
Total non current lease liability	**387**	**479**
Current		
Current maturities of non-current lease liabilities	217	171
	217	**171**

* Current and non-current classification is based on contractual maturities.

(a) 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.

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 2022	Year ended 31 March 2021
Interest on lease liabilities	70	71
Expenses relating to short-term leases	46	21
	116	**92**

(ii) The following is the break-up of current and non-current lease liabilities

	As at 31 March 2022	As at 31 March 2021
Non-current lease liabilities	387	479
Current maturities of lease liabilities	217	171
	604	**650**

(iii) The weighted average incremental borrowing rate applied to lease liabilities is 11.25%

(iv) As at 31 March 2022, the Company has a lease liability balance of ₹ 604 (previous year ₹ 650). During the year, the Company entered into new leases agreement of ₹ 130 (previous year ₹ 4).

(v) The following is the information regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at 31 March 2022	As at 31 March 2021
Less than one year	217	171
One to five years	479	617
More than five years	-	-
Total	**696**	**788**

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 20: Provisions

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 40)				
Liability for gratuity	1,316	347	1,152	385
Liability for compensated absences	364	183	405	215
	1,680	**530**	**1,557**	**600**

Note 21: Deferred tax

	As at 31 March 2022	As at 31 March 2021
Deferred tax assets on account of:		
- Expenses allowable on payment basis	450	451
- Expected credit loss allowance	86	100
- Expenses allowed on deferred basis under income tax	6	6
- Lease liabilities	33	23
Deferred tax asset (A)	**575**	**580**
Deferred tax liabilities on account of:		
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	985	886
Deferred tax liability (B)	**985**	**886**
Deferred tax (liability) / asset (net) (A - B)	**(410)**	**(306)**

Movement in temporary differences:

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)**

2021-2022	As at 1 April 2021	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2022
- Expenses allowable on payment basis	451	(17)	16	450
- Expected credit loss allowance	100	(14)	-	86
- Expenses allowed on deferred basis under income tax	6	-	-	6
- Lease liabilities	23	10	-	33
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(886)	(99)	-	(985)
	(306)	**(120)**	**16**	**(410)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 22: Other non-current liabilities

	As at 31 March 2022	As at 31 March 2021
Deferred government grant	-	2
Deferred revenue	2	14
Advance from customers	265	476
	267	**492**

Note 23: Trade payables

	As at 31 March 2022	As at 31 March 2021
(a) Total outstanding dues of micro enterprise and small enterprises	689	721
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	12,439	10,547
	13,128	**11,268**

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 2022	As at 31 March 2021
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	689	721
- Interest	5	4
(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.	34	39
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	39	43
(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.	39	43

Refer note 38(b) for information about liquidity risk and market risk of trade payables.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Trade payables ageing schedule as at 31 March 2022:

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	429	260	-	-	-	689
Total outstanding dues of creditors other than micro enterprises and small enterprises	174	6,300	5,460	315	159	31	12,439
Disputed dues of micro enterprises and small enterprises		-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-	-
Total	**174**	**6,729**	**5,720**	**315**	**159**	**31**	**13,128**

Trade payables ageing schedule as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	517	204	-	-	-	721
Total outstanding dues of creditors other than micro enterprises and small enterprises	192	5,305	4,700	71	142	137	10,547
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**192**	**5,822**	**4,904**	**71**	**142**	**137**	**11,268**

Note 24: Other financial liabilities

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Interest accrued and due on borrowings	-	84	-	71
Unpaid dividend #	-	5	-	3
Payable to government (revenue department)	-	215	-	-
Interest bearing security deposits from customers	-	63	-	72
Security deposit from employees	-	188	-	202
Due to subsidiaries (refer note 42)	-	1,422	-	1,447
Employee related liabilities	-	742	-	625
Capital creditors	-	357	-	369
Others	-	542	-	411
	-	**3,618**	**-**	**3,200**

not due for deposit to investor education and protection fund

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Refer note 38(b) for information about liquidity risk and market risk of other financial liabilities.

Note 25: Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advance from customers	1,595	2,872
Deferred revenue	12	16
Deferred interest income	-	8
Deferred government grant	2	2
Statutory dues	581	378
	2,190	**3,276**

Note 26: Current tax liabilities (net)

	As at 31 March 2022	As at 31 March 2021
Provision for income tax (net of advance tax of ₹ 3,289 (31 March 2021: ₹ 1,461))	2,115	1,157
	2,115	**1,157**

Note 27: Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products		
Finished goods	77,431	60,575
Traded goods	1,375	1,144
Sale of services	12,611	4,587
Other operating revenues:		
Scrap sales	127	74
Export incentive	1,326	1,099
Others	187	162
	93,057	**67,641**

Revenue disaggregation by geography is as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Geography:		
India	42,696	24,226
Outside India		
Europe (including united kingdom)	35,782	21,733
Japan	8,980	7,348
Others	3,959	12,999
Total	**91,417**	**66,306**

Information about major customers:

Revenue from 2 customer of the Company amounting to ₹ 50,371 (previous year: ₹ 28,832) and ₹ 7,583 (previous year: ₹ 5,843) respectively, constitute more than 10% of the total revenue of Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Changes in Unbilled revenue are as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	398	306
Invoices raised during the year	(398)	(306)
Revenue recognised during the year (yet to be invoiced)	1,191	398
Balance at the end of the year	**1,191**	**398**

Changes in Deferred revenue are as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	30	46
Revenue recognised during the year	(16)	(16)
Balance at the end of the year	**14**	**30**

Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Contracted price	91,464	66,340
Reductions towards variable consideration components*	(47)	(34)
Revenue recognised	**91,417**	**66,306**

*The reduction towards variable consideration comprises of trade discount.

Note 28: Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income		
- on fixed deposits	8	19
- others	31	13
Reversal of impairment loss on doubtful advances	4	28
Liability no longer required written back	6	6
Rental income	1	1
Amortization of government grant	2	2
Gain on fair valuation of mutual fund	5	-
Gain on sale of property, plant and equipment (net)	-	21
Insurance claim	12	-
Others	3	5
	72	**95**

Note 29: Cost of materials consumed

	Year ended 31 March 2022	Year ended 31 March 2021
Inventory of raw material at the beginning of the year	6,068	4,108
Add: Purchases of raw materials	61,177	41,485
Less: Inventory of raw material at the end of the year	(9,152)	(6,068)
	58,093	**39,525**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 30: Purchases of stock-in-trade

	Year ended 31 March 2022	Year ended 31 March 2021
Chemicals	625	445
	625	**445**

Note 31: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock		
Work-in-progress	1,353	2,934
Finished goods	2,012	926
Stock-in-trade	38	81
Less:	**3,403**	**3,941**
Closing stock		
Work-in-progress	1,903	1,353
Finished goods	3,269	2,012
Stock-in-trade	11	38
	5,183	**3,403**
	(1,780)	**538**

Note 32: Employee benefits expense

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	6,532	5,731
Contribution to provident and other funds	718	665
Staff welfare expenses	412	372
	7,662	**6,768**

Note 33: Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on financial liabilities measured at amortized cost	900	882
Other borrowing cost	299	350
	1,199	**1,232**

Note 34: Depreciation and amortization expense

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment	3	1,435	1,240
Depreciation of right of use assets	4	177	141
Amortization of intangible assets	5	55	105
		1,667	**1,486**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 35: Other expense

	Year ended 31 March 2022	Year ended 31 March 2021
Stores and spares consumed	305	241
Power and fuel	6,010	4,115
Repairs and maintenance	1,507	1,091
Sub-contracting charges	747	626
Rent	46	21
Rates and taxes	277	102
Insurance charges	315	316
Traveling and conveyance	493	289
Commission on sales	66	94
Packing expenses	798	719
Freight and handling expenses	1,495	966
Job work expenses	285	225
Legal and professional fees (refer note (a) below)	370	338
Director's sitting fees	13	16
Commission to director	230	150
Charity and donations (other than political parties)	8	6
Corporate Social Responsibility expenditure (refer note (b) below)	76	50
Advances written off	-	1
Property, plant and equipment written off	-	9
Loss on sale of plant, property and equipment (net)	33	-
Expected credit loss on trade receivables and advances	35	3
Provision for capital advance	40	-
Marketing and promotional expenses	86	74
Exchange loss on foreign exchange fluctuations	56	199
Miscellaneous expenses	1,330	1,280
	14,621	**10,931**

(a) Payments to the auditor (excluding taxes as applicable):

	Year ended 31 March 2022	Year ended 31 March 2021
As auditor		
Statutory audit	19	20
Limited review of quarterly results	15	9
	34	**29**

Note 36: Tax expense

a) Amount recognized in statement of profit and loss

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax:		
- Current year	2,840	1,315
- Adjustments in respect of current tax of previous year	-	-
	2,840	**1,315**
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	120	442
	120	**442**
Total tax expense recognised	**2,960**	**1,757**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

b) Reconciliation of effective tax rate

	Year ended 31 March 2022	Year ended 31 March 2021
Accounting profit before income tax	11,042	6,811
Tax at India's statutory tax rate of 25.168% (31 March 2021: 25.168%)	2,779	1,715
Effect of expense that are non-deductible expenses in determining taxable profits	112	6
Effect of change in estimate related to previous year	61	-
Effect of tax on sale of Flat & investment property	-	65
Others	8	(29)
	2,960	**1,757**

c) Income tax expense recognised in other comprehensive income

	Year ended 31 March 2022	Year ended 31 March 2021
Arising on income and expenses recognized in other comprehensive income		
Remeasurement of defined benefit obligation	17	(16)
Equity investments through other comprehensive income- net change in fair value	(1)	(2)
Total income tax recognised in other comprehensive income	**16**	**(18)**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	16	(18)
	16	**(18)**

Note 37: Earnings per share

	Year ended 31 March 2022	Year ended 31 March 2021
Profit after tax for basic and diluted EPS per share	8,082	5,054
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 ₹ 10 each)	65.91	41.21

Note 38(a): Fair values

Financial instruments by category and fair values	Note	Level of hierarchy	As at 31 March 2022			As at 31 March 2021		
			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	-	-	132	-	-	128
Loans	(c)		-	-	-	-	-	-
Other financial assets	(c)		-	352	-	-	300	-
Current								
Trade receivables	(d)		-	11,176	-	-	8,378	-
Cash and cash equivalents	(d)		-	692	-	-	1,140	-
Other bank balances	(d)		-	283	-	-	285	-
Loans	(d)		-	1,940	-	-	2,089	-
Other financial assets	(d)		-	690	-	-	1,135	-
Total financial assets			**-**	**15,133**	**132**	**-**	**13,327**	**128**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Financial instruments by category and fair values	Note	Level of hierarchy	As at 31 March 2022			As at 31 March 2021		
			FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
Financial liabilities (non-derivative)								
Non-current								
Borrowings	(e)	3	-	6,697	-	-	7,596	-
Lease liability				387			479	
Other financial liabilities	(c)		-	-	-	-	-	-
Current								
Borrowings	(d)	3	-	2,031	-	-	545	-
Lease liability				217			171	
Trade payables	(d)		-	13,128	-	-	11,268	-
Other financial liabilities	(d)		-	3,618	-	-	3,200	-
Total financial liabilities			**-**	**26,078**	**-**	**-**	**23,259**	**-**

(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

Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI

	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	128	118
Re-measurement recognized in OCI	4	10
Balance at the end of the year	**132**	**128**

^ Value of investment is less than ₹ 1 (previous year: ₹ 1).

Note 38(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

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:

	As at 31 March 2022	As at 31 March 2021
- Investments	137	128
- Trade receivables	11,176	8,378
- Cash and cash equivalents	692	1,140
- Other bank balances	283	285
- Loans	1,940	2,089
- Other financial assets	1,041	1,435

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 2022	As at 31 March 2021
Within India	7,038	4,364
Outside India	4,138	4,014

The carrying amount of the Company's most significant customer is ₹ 4,521 (31 March 2021: ₹ 2,443).

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 2022			
Less than 6 Months	11,086	60	11,026
More than 6 Months	235	85	150
	11,321	**145**	**11,176**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Particulars	Gross carrying amount	Loss allowance	Carrying amount
31 March 2021			
Less than 6 Months	8,197	-	8,197
More than 6 Months	295	114	181
	8,492	**114**	**8,378**

The movement in the allowance for impairment in respect of trade receivables is as follows

	Year ended 31 March 2022	Year ended 31 March 2021
Balance as at the beginning of the year	114	1,310
Provision made during the year	35	3
Amounts written back	(4)	(1,199)
Balance as at the end of the year	**145**	**114**

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 ₹ 692 at 31 March 2022 (31 March 2021: ₹1140). 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 2022				
Borrowings (including current maturities)	3,272	5,456	-	8,728
Trade and other payables	13,128	-	-	13,128
Other financial liabilities	3,618	-	-	3,618
	20,018	**5,456**	**-**	**25,474**
As at 31 March 2021				
Borrowings (including current maturities)	1,669	6,472	-	8,141
Trade and other payables	11,268	-	-	11,268
Other financial liabilities	3,200	-	-	3,200
	16,137	**6,472**	**-**	**22,609**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

(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 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 2022	As at 31 March 2021
Fixed rate borrowings	6,697	7,596
Floating rate borrowings	2,031	545
Total borrowings (gross of transaction cost)	**8,728**	**8,141**

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.

	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
Year ended 31 March 2022				
Interest rate (0.5% movement)	10	(10)	3	(3)
Year ended 31 March 2021				
Interest rate (0.5% movement)	3	(3)	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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

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 2022		As at 31 March 2021	
		Amount in indian currency	Amount in foreign currency	Amount in indian currency	Amount in foreign currency
Trade receivable	EUR	1,153	14	2,809	33
	USD	3,419	45	1,460	20
	GBP ^	4	0	13	0
Trade payable	EUR	103	1	105	1
	USD	2,552	34	2,539	34
Packing credit	EUR	-	-	545	6
Advances recoverable from related party	EUR	1,934	23	1,948	23
Due to subsidiaries	EUR	1,422	17	1,447	17
Investments (at historical cost)	**EUR**	**5,463**	**102**	**5,463**	**102**

^ amount is less than ₹ 1

Sensitivity analysis
A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2022 and 31 March 2021 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.

	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2022				
USD (2% movement)	(17)	17	(13)	13
EURO (2% movement)	(199)	199	(149)	149
GBP (2% movement)	(0)	0	(0)	0
31 March 2021				
USD (2% movement)	22	(22)	16	(16)
EURO (2% movement)	(229)	229	(171)	171
GBP (2% movement)	(0)	0	(0)	0

Note 39: 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 'total debt' to 'total equity'. For this purpose, total debt is defined as total borrowings. Equity comprises all components of equity (as shown in the Balance Sheet).

The Company's debt to equity ratio was as follows.

	As at 31 March 2022	As at 31 March 2021
Total debt	33,270	30,647
Total equity	24,167	16,377
Debt to equity ratio	**1.38**	**1.87**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

(ii) Dividends

	Year ended 31 March 2022	Year ended 31 March 2021
Final dividend for the year ended 31 March 2021 of ₹ 2.00 (31 March 2020: ₹ 1.50) per fully paid equity share *	245	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 ₹ 2.00 (31 March 2021: ₹ 2.00) per fully paid equity share. The proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting. The dividend declaration is in accordance with section 123 of the companies Act, 2013 to the extent its applies to declaration of dividend	368	245

* 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

Note 40: Employee benefits

A. Assets and liabilities relating to employee benefits

	As at 31 March 2022	As at 31 March 2021
Non-current		
Liability for gratuity	1,316	1,152
Liability for leave encashment	364	405
	1,680	**1,557**
Current		
Liability for gratuity	347	385
Liability for leave encashment	183	215
	530	**600**
	2,210	**2,157**

For details about the related employee benefit expenses, refer to note 32.

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 2022	Year ended 31 March 2021
Amounts included in contribution to provident and other funds (refer note 32)		
Provident Fund	435	383
Superannuation Fund	251	256
ESI contribution	30	23
	716	**662**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

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.

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 2022	As at 31 March 2021
(b) Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	2,064	2,181
Interest cost	140	148
Current service cost	107	95
Past service cost	-	-
Benefits paid	(261)	(295)
Actuarial loss recognised in other comprehensive income		
- from changes in financial assumptions	(13)	56
- from changes in demographic assumptions	-	-
- from experience adjustments	78	(121)
Balance at the end of the year	**2,115**	**2,064**
c) Reconciliation of the present value of plan assets		
Balance at the beginning of the year	527	57
Expected Interest Income	34	5
Contributions paid by the employer	115	730
Benefits paid	(223)	(265)
Actuarial loss for the year on Assets	-	-
Balance at the end of the year	**453**	**527**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Particulars	As at 31 March 2022	As at 31 March 2021
d) Amount recognized in statement of profit and loss		
Total service cost	107	95
Interest cost on benefit obligation	105	144
Amount recognized in statement of profit and loss	**212**	**239**
e) Remeasurements recognised in other comprehensive income		
Actuarial loss for the year on defined benefit obligation	65	64
Return on plan assets (excluding interest income)	(2)	1
Total Actuarial gain / (loss) for the year	**67**	**65**

f) Plan assets

100% of the plan assets are managed by LIC

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 2022	As at 31 March 2021
Discount rate (per annum)	7.15%	6.80%
Future salary growth rate (per annum)	5.75%	5.50%
Expected rate of return on plan assets (per annum)	7.05%	7.05%
Expected average remaining working lives (years)	18.15	18.41

(ii) Demographic assumptions:

Particulars	As at 31 March 2022	As at 31 March 2021
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 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(59)	62	(58)	61
Future salary growth rate (0.5% movement)	60	(57)	59	(57)

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

i) Expected future benefit payments

Undiscounted amount of expected benefit payments for next 10 years are as follows:

	As at 31 March 2022	As at 31 March 2021
Within 1 year	347	385
1-2 year	171	162
2-3 year	244	151
3-4 year	154	206
4-5 year	174	139
5-10 years	1,026	1,020

j) Weighted average duration and the expected employers contribution for next year of the defined benefit plan:

	As at 31 March 2022	As at 31 March 2021
Weighted average duration of the defined benefit plan (in years)	14.41	14.51
Expected employers contribution for next year	225	215

Note 41: Contingent liabilities and commitments (to the extent not provided for)

(a) Claims against the company not acknowledged as debts

Particulars	As at 31 March 2022	As at 31 March 2021
Income Tax matters	1,325	7,668
Sales tax matters	11	11
Labour laws matters	4	4
Service tax matters	1	1
	1,341	**7,684**

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 previous year, Income tax Assessing officer had 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 ₹ 4,384 and ₹ 3,281 respectively. Subsequently, the Company had filed the rectification request and during the year the Assessing officer issued rectification order under section 154 by reducing the demand to ₹ 556 and ₹ 419 respectively. During the year, 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) A. In earlier years, the Directorate of Revenue Intelligence - Ahmadabad had asked the Company to re-ascertain the benefits claimed under the Merchandise Exports from India Scheme from 1 April 2015 onwards. Consequently, the Company basis expert view, had assessed a liability for the differential amount to be refunded for the period from 1 April 2015 till 31 December 2019 amounting to ₹ 907 lakhs (including interest 130 lakhs) which was also paid in the previous year.

During previous year, the Company had also received a show cause notice (SCN) from DRI Ahmadabad on 28 December 2020 under the Custom Act, 1962 who also appointed 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

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.

B. In earlier years, the Directorate of Revenue Intelligence – Kolkata had initiated an inquiry in relation to the manner in which the Company was claiming refund of IGST on input material at the time of export. During the current year, the Company received summons from the office of Central goods and Service tax commissioner, Ludhiana seeking further documents in relation to the above. While we have not received any show cause or Notice of demand, in the interim, we have also preferred to file a write petition in the High court of Punjab and Haryana requesting the court to give suitable directions on the above matter.

(iii) The Company had received a notice of eviction in relation to the Pune facility which was under a lease arrangement. We have filed an appeal Court of district judge Pune in relation to the aforesaid and have received a stay order in relation to the above.

(iv) Pursuant to judgement by the hon'ble supreme court dated 28 February 2019 on wages for the purposes of provident fund, 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.

(b) Other Commitments

	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	1,410	486

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 42: 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 1 February 2021)
	Akola Chemicals (India) Limited
	U & I Initiatives LLP
Key managerial personnel	Mr. Shalil S Shroff (Managing Director)
	Mr. Avtar Singh (Whole time Director upto 30 September 2021)
	Mr. Vinod K Gupta (Chief Executive Officer) (w.e.f 8 February 2021)
	Dr. Sriram Swaminathan (Chief Financial Officer) (w.e.f 1 April 2020)
	Mr. Punit K Abrol (Sr. Vice President (Finance) & Company Secretary) (upto 31 Dec 2021)
	Mr. Jain Prakash (Sr. Vice President (Works))
	Mr. V Srinivas (GM Legal & Company Secretary) (w.e.f 27 January 2022)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Description of Relationship	Name of the Party
Non Executive Directors	Mr Mukesh D Patel
	Mr. Vijay D Rai
	Mr. Sheo Prasad Singh
	Capt. S S Chopra (Retd.)
	Mrs. Aruna R Bhinge
	Mr. Shivshankar S Tiwari
	Mr. Avtar Singh (w.e.f 1 October 2021)
Relatives of key managerial personnel	Ms. Malvika Shroff
	Mrs. Bhupinder Kaur (upto 30 September 2021)
	Mr. Jaskaran Singh
	Ms. Sonal Tiwari

III. Transactions with related parties during the current / previous year

Nature of transactions	Relationship	Year ended 31 March 2022	Year ended 31 March 2021
a. Sale of goods			
SD Agchem (Europe) N.V.	Subsidiary	969	871
Akola Chemicals (India) Limited	Enterprises where control over the composition of Governing Body exists	-	15
U & I Initiatives LLP	Enterprises where control over the composition of Governing Body exists	165	-
b. Payment of lease liabilities			
Shroff Family Master Trust	Enterprises where control over the composition of Governing Body exists	177	151
Shalil Shroff HUF	Enterprises where control over the composition of Governing Body exists	9	2
Ms. Malvika Shroff	Relatives of key managerial personnel	36	2
c. Amount received against advances			
SD Agchem (Europe) N.V.	Subsidiary	-	138
d. Loans repaid during the year			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	-	1,200
e. Interest expense during the year			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	210	371
f. Legal and professional fees during the year			
SD Agchem (Europe) N.V.	Subsidiary	20	-
g. Expected credit loss on trade receivables made during the year			
SD Agchem (Europe) N.V.	Subsidiary	-	2
h. Employee benefits paid			
Short term employee benefits			
Mr. Shalil S Shroff	Key managerial personnel	202	162
Mr. Avtar Singh	Key managerial personnel	164	130
Mr. Vinod K Gupta	Key managerial personnel	142	19
Dr. Sriram Swaminathan	Key managerial personnel	119	89
Mr. Punit K Abrol	Key managerial personnel	118	74
Mr. Jain Prakash	Key managerial personnel	93	80
Mr. V Srinivas	Key managerial personnel	15	-
Benefits to Relatives			
Mr. Jaskaran Singh	Relatives of key managerial personnel	16	12

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Nature of transactions	Relationship	Year ended 31 March 2022	Year ended 31 March 2021
i. Sale of flat			
Ms. Malvika Shroff	Relatives of key managerial personnel	-	285
j. Commission			
Executive Directors	Key managerial personnel	147	105
Non Executive Directors	Key managerial personnel	83	45
k. Sitting Fees			
Non Executive Directors	Key managerial personnel	13	16
l. Legal & Professional			
Ms. Bhupinder Kaur	Relatives of key managerial personnel	1	1
Ms. Sonal Tiwari	Relatives of key managerial personnel	27	27

Break-up of compensation of key managerial personnel of the Company

	Year ended 31 March 2022	Year ended 31 March 2021
Short-term employee benefits	853	555
Post-employment benefits	35	25
Total	**888**	**580**

IV. Outstanding balances as at year end

Particulars	Relationship	As at 31 March 2022	As at 31 March 2021
Payables			
SD Agchem (Europe) N.V.	Subsidiary	1,422	1,447
Receivables			
SD Agchem (Europe) N.V.	Subsidiary	43	44
Akola Chemical (India) Limited	Enterprises where control over the composition of Governing Body exists	4	4
U & I Initiatives LLP	Enterprises where control over the composition of Governing Body exists	84	-
Advances given			
SD Agchem (Europe) N.V.	Subsidiary	1,934	1,948
Borrowings			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	1,585	1,585
Security deposit from employees			
Mr. Shalil S Shroff	Key managerial personnel	2	2
Mr. Avtar Singh	Key managerial personnel	-	2
Mr. Punit K Abrol	Key managerial personnel	-	10
Mr. Jain Prakash	Key managerial personnel	20	11
Commission payable to directors			
Executive Directors	Key managerial personnel	147	105
Non Executive Directors	Key managerial personnel	83	45
Employee related liabilities			
Executive Directors	Key managerial personnel	5	8
Interest accrued and due on borrowings			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	47	43
Legal and professional fees payable			
Ms. Bhupinder Kaur	Relatives of key managerial personnel	4	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

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 43: Ratio Analysis

a) Current ratio = Current assets divided by current liabilities

Particulars	31 March 2022	31 March 2021
Current assets	33,971	25,200
Current liabilities	25,070	21,341
Ratio	**1.36**	**1.18**
% Change from previous year	**14.75%**	

Reason for change more than 25%: NA

b) Debt equity ratio = Total debt divided by total shareholder's equity

Particulars	31 March 2022	31 March 2021
Total debt (excluding lease liabilities)	32,666	29,998
Total equity (excluding Non-controlling interests)	24,167	16,377
Ratio	**1.35**	**1.83**
% Change from previous year	**-26.20%**	

Reason for change more than 25%:

The ratio has decreased from 1.83 in March 2021 to 1.35 in March 2022 mainly due to increase in profit.

c) Debt service coverage ratio = Total operating income divided by total debt

Particulars	31 March 2022	31 March 2021
Profit/ (loss) before tax	11,042	6,811
Add: Non cash operating expenses and finance cost		
- Depreciation and amortization expense	1,667	1,486
- Finance costs	1,199	1,232
Total operating income	**13,908**	**9,529**
Total debt (excluding lease liabilities)	32,666	29,998
Ratio	**0.43**	**0.32**
% Change from previous year	**34.03%**	

Reason for change more than 25%:

The ratio has increased from 0.32 in March 2021 to 0.43 in March 2022 mainly due to increase in profit.

d) Return on equity ratio / return on investment ratio = Net profit after tax divided by average shareholder's equity

Particulars	31 March 2022	31 March 2021
Net profit/ (loss) after tax	8,082	5,054
Average shareholder's equity (excluding Non-controlling interests)	20,272	13,914
Ratio	**39.87%**	**36.32%**
% Change from previous year	**9.76%**	

Reason for change more than 25%: NA

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

e) Inventory turnover ratio = Net Sales divided by average inventory

Particulars	31 March 2022	31 March 2021
Sale of goods (Net Sales)	93,057	67,641
Average inventory	12,751	9,389
Ratio	**7.30**	**7.20**
% Change from previous year	**1.30%**	

Reason for change more than 25%: NA

f) Trade receivables turnover ratio = Net sales divided by average trade receivables

Particulars	31 March 2022	31 March 2021
Sale of goods (Net Sales)	93,057	67,641
Average trade receivables	9,777	6,572
Ratio	**9.52**	**10.29**
% Change from previous year	**-7.53%**	

Reason for change more than 25%: NA

g) Trade payables turnover ratio = Net purchases divided by average trade payables

Particulars	31 March 2022	31 March 2021
Net purchases	61,802	41,929
Average trade payables	12,198	10,073
Ratio	**5.07**	**4.16**
% Change from previous year	**21.71%**	

Reason for change more than 25%: NA

h) Net capital turnover ratio = Net sales divided by capital

Particulars	31 March 2022	31 March 2021
Sale of goods (Net Sales)	93,057	67,641
Average working Capital (Total current assets minus total current liabilities)	8,901	3,859
Ratio	**10.45**	**17.53**
% Change from previous year	**-40.36%**	

Reason for change more than 25%:

The ratio has decreased from 17.53 in March 2021 to 10.45 in March 2022 mainly due to increase in net working capital which is primarily due to increase in inventories and trade receivables.

i) Net profit ratio = Net profit after tax divided by Net sales

Particulars	31 March 2022	31 March 2021
Net profit/ (loss) after tax	8,082	5,054
Sale of goods (Net Sales)	93,057	67,641
Ratio	**0.09**	**0.07**
% Change from previous year	**16.24%**	

Reason for change more than 25%: NA

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

j) Return on capital employed = Earnings before interest and taxes (EBIT) divided by capital employed

Particulars	31 March 2022	31 March 2021
Profit/ (loss) before tax	11,042	6,811
Add: Finance costs	1,199	1,232
EBIT	**12,241**	**8,043**
Total assets	57,437	47,024
Total current liabilities	25,070	21,341
Capital employed	**32,367**	**25,683**
Ratio	**0.38**	**0.31**
% Change from previous year	**20.76%**	

Reason for change more than 25%: NA

Note 44: Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate social responsibility (CSR) activities. A CSR Committee has been formed by the company as per the Act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the act, in pursuant of the CSR policy:

	Year ended 31 March 2022	Year ended 31 March 2021
a) Gross amount required to be spent by the Group during the year	76	46
b) Amount spent during the year on (in cash):		
(i) Construction / Acquisition of any asset	-	42
(ii) On purpose other than (i) above	76	8
c) Excess/ (Shortfall) at the end of the year	**-**	**4**
d) Total of previous years shortfall	-	(4)
e) Details of related party transactions	-	-
f) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-
g) Reason for shortfall:		
h) Nature of CSR Activities:		
i) Eradicating poverty	27	13
ii) Promoting education	41	35
iii) Rural development projects	8	2

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(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 2022

	Sale of goods *	Sale of services*	Non current assets#
India	30,085	12,611	22,967
Outside India			
Europe (including united kingdom)	35,782	-	-
Japan	8,980	-	-
Others	3,959	-	15
Total	**78,806**	**12,611**	**22,982**

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**

* 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 ₹ 50,371 (previous year: ₹ 28,832) and ₹ 7,583 (previous year: ₹ 5,843) respectively, constitute more than 10% of the total revenue of Company.

Note 46
During the previous year, the Company had applied to authorized dealer for write off its certain old export receivables as per the provision / laws available. Accordingly, the Company had written off its debtors amounting to ₹ 959 and also written back ₹ 959 provision created in earlier years.

During the year the company has applied to authorised dealer for write back its old overseas payables as per the provision / laws available. Accordingly, the company has written back its vendor amounting to ₹ 135.

Further, as at 31 March 2022, the Company has certain advances recoverable from its wholly owned subsidiary, located outside India, amounting to ₹ 1,934 (previous year ₹ 1,948) against expenses incurred on its behalf and certain dues towards it amounting to ₹ 1,422 (previous year ₹ 1,447)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(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 2022	As at 31 March 2021
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	122	118
Maximum amount outstanding at any time during the year	118	118
(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 ₹ 1 (previous year: ₹ 1).

Note 48:
The Company has filed quarterly statement of current assets with banks and these are in agreement with books of account for all quarters in the current year and previous year, except for:

Quarter end date	Bank Name	Particulars	Amount as per books of account	Amount as reported in the quaterly statements	Amount of difference	Reason for Material discrepancy
30 June 2021	RBL Bank	Purchase	14,584	13,258	1,326	Cost of goods sold plus purchase of trading wrongly shown as total purchase. The company has subsequently revised the statement on 3 May 2022 and the same has been acknowledged by the bank.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 50:
The following figures for the year ended 31 March 2021 have been regrouped / reclassified to give effect of the amendments to Schedule III to the Companies Act, 2013

	Amount in lakhs	Presented as, in financial of the year ended 31 March 2021	Reclassified as, in financial of the year ended 31 March 2022
Security deposits (non current portion)	278	Loans (non current)	Other financial assets (non current)
Security deposits (current portion)	75	Loans (non current)	Other financial assets (current)
Contract asset	398	Other financial asset	Trade receivables (current)
Cost of fulfillment of contract	308	Other financial asset	Other current assets
Lease liability (non current portion)	479	Borrowing	Lease liability (non current)
Current Maturities of non current borrowings	1,124	Other financial liability	Borrowing (current)
Lease liability (current portion)	171	Other financial liability	Lease liability (current)

Note 51: Relationship with Struck off Companies:
Where the company has any transactions with the companies struck off under section 248 of the companies Act, 2013 or section 560 of companies Act,1956, the company shall disclose the following details, namely:-

Year ended 31 March 2022:

Name of struck off Company	Nature of transactions with struck-off company	Balance outstanding	Relationship with the struck off company, If any to be disclosed
Samsung Weigh Scales Private Limited	Other Expenses-Repairs and maintenance	1	Third party
	Other Expenses-Stores and spares consumed	0	
	Payables	-	

Year ended 31 March 2021:

Name of struck off Company	Nature of transactions with struck-off company	Balance outstanding	Relationship with the struck off company, If any to be disclosed
Samsung Weigh Scales Private Limited	Other Expenses-Repairs and maintenance	0	Third party
	Other Expenses-Stores and spares consumed	0	
	Payables	0	
Noble Biotech Limited	Amount written back (rounding off)	-	
	Payables	-	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 52:
No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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: Mumbai
Date: 5th May, 2022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer

Place: Mumbai
Date: 5th May, 2022

V Srinivas
GM (Legal) & Company Secretary

Place: Mumbai

Dr Sriram Swaminathan
Chief Financial Officer

Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of Punjab Chemicals and Crop Protection Limited

Report on the Audit of the Consolidated Financial Statements

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 2022, 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 auditor 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 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 report of other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of report of other auditor on separate financial statements of component audited by it, 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.

Description of Key Audit Matter

Revenue recognition
See note 2 (j) and 27 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Company recognises revenue from the sales of products and services when control over goods is transferred to the customer/ services are rendered based on the specific terms and conditions of the sale/ service 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 and amount of revenue recognized due to pressures to achieve performance targets as well as meeting external expectations.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • 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 (using random sampling). • We performed substantive testing by using statistical sampling for revenue transactions recorded during the financial year. For such samples, verified the underlying documents, including invoices, good dispatch notes, customer acceptances and shipping documents (as applicable), and subsequent receipts in the bank statements to assess whether these are recognized in the appropriate period in which control is transferred or services are provided.

Revenue recognition
See note 2 (j) and 27 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
	• We carried out analytical procedures on revenue recognized during the year to identify unusual variances. • We tested specific item on manual journals posted to revenue ledger selected based on specified risk-based criteria to identify 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.

Other Information

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 consolidated financial statements and our auditor's 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 auditor, 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.

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 Board of 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 are responsible for overseeing the financial reporting process of each company.

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

Independent Auditor's Report

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 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 financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 statements 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 the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by it. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company, 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 auditor's 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.

Other Matters

(a) We did not audit the financial information of one subsidiary, whose financial information reflect total assets (before consolidation adjustments) of ₹ 228 lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 1,258 lakhs and net cash flows (before consolidation adjustments) amounting to ₹ 135 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditor whose report have 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 subsidiary, is based solely on the report of the other auditor.

The subsidiary is located outside India whose financial information have been prepared in accordance with accounting principles generally accepted in its respective country and which have been audited other auditors under generally accepted auditing standards applicable in its respective country. The Holding 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 Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding 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 report of the other auditor

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 (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) 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 report 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 1 April 2022 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 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company 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 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:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 41 to the consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c) 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 2022.

Independent Auditor's Report

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 53 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 53 to the financial statements, no funds have been received by the Holding Company incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The final dividend paid by the Holding Company during the year in respect of the dividend declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend. As stated in Note 39(ii) to the financial statements, the Board of Directors of the Company have proposed final divided for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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) 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
ICAI UDIN: 22507857AILBGV3460

Place: Mumbai
Date: 5th May, 2022

Annexure A to the Independent Auditor's Report on Consolidated Financial Statements

(Referred to in our report of even date)

(xxi) According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company included the following unfavourable answers or qualifications or adverse remarks:

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Punjab Chemicals and Crop Protection Limited	L24231PB1975PLC047063	Holding Company	(i)(c), ii (b), (iii)(c), (iii) (d), (iii) (f), (iv), (vii) (b)

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Gaurav Mahajan
Partner
Membership No. 507857
ICAI UDIN: 22507857AILBGV3460

Place: Mumbai
Date: 5th May, 2022

Independent Auditor's Report

Annexure B to the Independent Auditors' report on the consolidated financial statements of Punjab Chemicals & Crop Protection Limited for the period ended 31 March 2022.

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 2(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 2022, we have audited the internal financial controls with reference to consolidated financial statements of Punjab Chemicals & 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 2022, 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 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
ICAI UDIN: 22507857AILBGV3460

Place: Mumbai
Date: 5th May, 2022

CONSOLIDATED BALANCE SHEET

as at 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	20,618	18,231
Right of use assets	4	479	526
Capital work-in-progress	3	675	1,496
Other intangible assets	5	88	132
Intangible assets under development	5	49	54
Financial assets			
- Investments	6	132	128
- Other financial assets	7	362	300
Income tax assets (net)	8	649	649
Other non-current assets	9	424	308
Total non-current assets		**23,476**	**21,824**
Current assets			
Inventories	10	15,372	10,130
Financial assets			
- Investments	6	5	-
- Trade receivables	11	11,183	8,384
- Cash and cash equivalents	12	842	1,156
- Bank balances other than above	13	283	285
- Loans	14	6	141
- Other financial assets	7	690	1,135
Other current assets	15	3,869	2,045
Total current assets		**32,250**	**23,276**
Total assets		**55,726**	**45,100**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,226	1,226
Other equity	17	21,336	13,227
Total equity		**22,562**	**14,453**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	18	5,456	6,472
- Lease liabilities	19	387	479
Provisions	20	1,680	1,557
Deferred tax liabilities	21	410	306
Other non-current liabilities	22	267	492
Total non-current liabilities		**8,200**	**9,306**
Current liabilities			
Financial liabilities			
- Borrowings	18	3,272	1,669
- Lease liabilities	19	217	171
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	23	689	721
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	12,528	10,629
- Other financial liabilities	24	3,308	2,804
Other current liabilities	25	2,217	3,349
Provisions	20	530	600
Current tax liabilities (net)	26	2,203	1,398
Total current liabilities		**24,964**	**21,341**
Total liabilities		**33,164**	**30,647**
Total equity and liabilities		**55,726**	**45,100**

Significant accounting policies 2
Notes to the consolidated financial statements 3-53
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: Mumbai
Date: 5th May, 2022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer
Place: Mumbai
Date: 5th May, 2022

V Srinivas
GM (Legal) & Company Secretary
Place: Mumbai

Dr Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	27	93,346	67,818
Other income	28	93	183
Total income		**93,439**	**68,001**
EXPENSES			
Cost of material consumed	29	58,093	39,525
Purchases of stock-in-trade	30	625	445
Changes in inventories of finished goods, stock-in- trade and work-in progress	31	(1,780)	538
Employee benefits expense	32	7,662	6,768
Finance costs	33	1,234	1,346
Depreciation and amortisation expense	34	1,667	1,486
Other expenses	35	14,777	10,992
Total expenses		**82,278**	**61,100**
Profit before income tax		**11,161**	**6,901**
Tax expense	36		
Current tax		2,695	1,551
Deferred tax charge / (credit)		120	442
Total tax expense		**2,815**	**1,993**
Profit for the year		**8,346**	**4,908**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		(67)	65
- Equity investments through other comprehensive income- net change in fair value		4	10
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		17	(16)
- Equity investments through other comprehensive income- net change in fair value		(1)	(2)
Items that will be reclassified subsequently to profit or loss:			
- Exchange difference in translating financial statements of foreign operations		55	(103)
Other comprehensive income / (loss) for the year (net of tax)		**8**	**(46)**
Total comprehensive income for the year		**8,354**	**4,862**
Earnings per equity share [nominal value of ₹ 10 (previous year ₹ 10)]	37		
Basic (₹)		68.07	40.03
Diluted (₹)		68.07	40.03

Significant accounting policies 2
Notes to the consolidated financial statements 3-53
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: Mumbai
Date: 5th May, 2022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer
Place: Mumbai
Date: 5th May, 2022

V Srinivas
GM (Legal) & Company Secretary
Place: Mumbai

Dr Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

CONSOLIDATED STATEMENT OF CASH FLOW
for the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flow from operating activities	11,161	6,901
Profit before tax		
Adjustments for:		
Depreciation and amortization expense	1,667	1,486
Liability no longer required written back	(6)	(6)
Reversal of impairment loss on doubtful advances	(4)	(28)
Interest income	(39)	(32)
Amortisation of government grants	(2)	(2)
Finance cost	1,234	1,346
Unrealised foreign exchange loss / (gain) (net)	(13)	46
Advances written off	-	1
Property, plant and equipment written off	-	9
Loss/(gain) on sale of property, plant and equipment (net)	33	(21)
Gain on fair valuation of mutual fund	(5)	-
Expected credit loss on trade receivable	35	3
Provision for capital advance	40	
Rental income	(1)	(1)
Operating cash flow before working capital changes	**14,100**	**9,702**
Changes in working capital:		
(Increase) in trade receivables	(2,812)	(3,329)
(Increase) in inventories	(5,242)	(1,482)
(Increase) in other current and non-current assets	(1,824)	(467)
(Increase) / decrease in current and non-current other financial assets	(33)	258
(Increase) in current and non-current loans	126	(17)
Increase in trade payables and other liabilities	521	3,162
Increase/(decrease) in other current financial liabilities	500	(1,237)
(Decrease) in long-term and short-term provisions	(15)	(981)
Cash generated from operating activities	**5,321**	**5,609**
Income tax paid (net)	(1,890)	(1,331)
Net cash generated from operating activities (A)	**3,431**	**4,278**
B. Cash flow from investing activities		
Acquisition of property, plant and equipment (including capital advances)	(3,262)	(3,065)
Proceeds from sale of property, plant and equipment	62	332
Proceeds from sale of investment property	-	1,782
Proceeds from insurance claim	467	221
Movement in other bank balances	4	(123)
Decrease/(Increase) in deposits with original maturity of more than 12 months	(39)	14
Interest received	28	27
Rental income	1	1
Net cash flows (used in) investing activities (B)	**(2,739)**	**(811)**

CONSOLIDATED STATEMENT OF CASH FLOW
for the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31 March 2022	Year ended 31 March 2021
C. Cash flow from financing activities		
Proceeds from non-current borrowings	152	4,994
Repayments of non-current borrowings	(1,050)	(1,776)
Repayment of lease liabilities (including interest on lease liability)	(256)	(87)
Proceeds/(repayment) of current borrowings (net)	1,487	(4,087)
Payment of dividend (including corporate dividend tax)	(243)	(180)
Finance cost paid	(1,151)	(1,245)
Net cash flows (used in) financing activities (C)	**(1,061)**	**(2,381)**
Net increase in cash and cash equivalents (A+B+C)	(369)	1,086
Effect of exchange (loss) / gain on cash and cash equivalents	55	(103)
Cash and cash equivalents at the beginning	1,156	173
Cash and cash equivalents at the end	**842**	**1,156**
Notes :		
1. Cash and cash equivalents include :		
Balances with banks		
- In current accounts	835	1,137
- Deposits with original maturity of less than three months	-	13
Cash on hand	7	6
	842	**1,156**

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 18 for reconciliation of movements of liabilities to cash flows arising from financing activities.
4. During the year, the Company paid in cash ₹ 76 (previous year: ₹ 8) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 45).

Significant accounting policies 2
Notes to the consolidated financial statements 3-53
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: Mumbai
Date: 5th May, 2022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer
Place: Mumbai
Date: 5th May, 2022

V Srinivas
GM (Legal) & Company Secretary
Place: Mumbai

Dr Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

a. Equity share capital:

Equity share capital:	Note	Amount
Balance as at 1 April 2020	16	**1,226**
Changes in equity share capital during the year		-
Balance as at 31 March 2021	16	**1,226**
Changes in equity share capital during the year		-
Balance as at 31 March 2022		**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	Amalga-mation reserve	Retained earnings	Equity instruments through other comprehensive income	Foreign currency translation reserve	
Balance as at 1 April 2020	**314**	**5,707**	**28**	**21**	**19**	**2,375**	**2**	**83**	**8,549**
Total comprehensive income for the year ended 31 March 2021									
- Profit for the year	-	-	-	-	-	4,908	-	-	4,908
- Dividend						(184)	-	-	(184)
- Other comprehensive income/ (loss) (net of tax)	-	-	-	-	-	49	8	(103)	(46)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**4,773**	**8**	**(103)**	**4,678**
- Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	**314**	**5,707**	**28**	**21**	**19**	**7,148**	**10**	**(20)**	**13,227**
Total comprehensive income for the year ended 31 March 2022									
- Profit for the year	-	-	-	-	-	8,346	-	-	8,346
- Dividend	-	-	-	-	-	(245)	-	-	(245)
- Other comprehensive (loss) (net of tax)	-	-	-	-	-	(50)	3	55	8
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**8,051**	**3**	**55**	**8,109**
Balance as at 31 March 2022	**314**	**5,707**	**28**	**21**	**19**	**15,199**	**13**	**35**	**21,336**

Note: Refer to note 17 for nature and purpose of other equity

Significant accounting policies 2
Notes to the consolidated financial statements 3-53
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

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: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer

V Srinivas
GM (Legal) & Company Secretary

Dr Sriram Swaminathan
Chief Financial Officer

Place: Mumbai
Date: 5th May, 2022

Place: Mumbai
Date: 5 May 2022

Place: Mumbai

Place: Mumbai

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

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 agrochemicals, 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 2022 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 2022 were approved for issue by the Company's Board of Directors on 05 May 2022.

(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, 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
For the year ended 31 March 2022

Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

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 – Assessment of lease term, useful life of right-to-use asset, discount rate
- Note 2(g) and 5 – Assessment of useful life of Intangible assets
- Note 2(p), 2(o) and 41 – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2(m) and 21 – Recognition and estimation of tax expense including deferred tax
- Note 2(l) and 40 – 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(h) – Valuation of inventories
- Note 2(m) and 11 - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used, future recoverability been probable;

(v) Current versus non-current classification

The Company presents assets and liabilities in the Statement of Assets and Liabilities based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(vi) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

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 entity controlled by the Group including its subsidiary as at 31 March 2022. 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:

- 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 entity 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

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.

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 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, derivatives 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. 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 FVOCI 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

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 - 58 Years
Plant and equipment	3 - 15 Years	1 - 20 Years
Electrical installations	10 Years	4 - 10 Years
Vehicles	8 Years	8 Years
Furniture and fittings	10 Years	2 - 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.

(e) Leases

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, furniture and fixtures 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.

1. 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

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.

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.

(f) 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.
- 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	3-5 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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

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 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, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

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.

(j) 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 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(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 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

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 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.

Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Holding Company has opted for this benefit in earlier years.

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.

(n) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

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.

Onerous contracts

A provision for onerous contract is recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognises any impairment loss on assets associated.

(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 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.

(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 Group are segregated.

(t) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

(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 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.

(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 Group 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 Group 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 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment – For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in Statement of Profit and Loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 41 Agriculture– This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.
- Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary/associate/ JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary/associate/JV can be measured based Consolidated Financial Statements.
- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

(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
Balance as at 1 April 2020	**5,395**	**-**	**1,937**	**10,736**	**211**	**1,024**	**311**	**19,614**
Additions	-	-	777	2,497	140	187	57	3,658
Disposals /other adjustments (refer note below)	-	-	-	88	-	56	4	148
Balance as at 31 March 2021	**5,395**	**-**	**2,714**	**13,145**	**351**	**1,155**	**364**	**23,124**
Balance as at 1 April 2021	5,395	-	2,714	13,145	351	1,155	364	23,124
Additions	-	-	585	2,963	20	236	113	3,917
Disposals /other adjustments (refer note below)	-	-		64	-	90	118	272
Balance as at 31 March 2022	**5,395**	**-**	**3,299**	**16,044**	**371**	**1,301**	**359**	**26,769**
Accumulated depreciation								
Balance as at 1 April 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 below)	-	-	-	34	-	31	3	68
Balance as at 31 March 2021	**-**	**-**	**631**	**3,548**	**119**	**450**	**145**	**4,893**
Depreciation for the year	-	-	134	1,069	31	134	67	1,435
Disposals /other adjustments (refer note below)	-	-		30	-	43	104	177
Balance as at 31 March 2022	**-**	**-**	**765**	**4,587**	**150**	**541**	**108**	**6,151**
Carrying amounts (net)								
As at 31 March 2021	**5,395**	**-**	**2,084**	**9,597**	**231**	**705**	**219**	**18,231**
As at 31 March 2022	**5,395**	**-**	**2,534**	**11,457**	**221**	**760**	**251**	**20,618**

Notes:

a. Plant and equipment includes ₹ 44 (previous year: ₹ 44) worth of equipment acquired under United Nations Industrial Development Organisation grant scheme.

b. Plant and equipment includes ₹ 145 (previous year: ₹ 24) of capitalisation towards research and development.

c. Refer note 18 for information on property, plant and equipment pledged as security by the Company during the year.

d. Refer note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

e. 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 2022	Year ended 31 March 2021
Salaries, wages and bonus	127	72
Power and fuel	14	28
Finance costs	56	151
Finance costs	**197**	**251**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

f) Title deed of immovable property not held in the name of Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Three Residential flats at Tarapur, Palghar, Maharashtra	18 lakhs	STS Chemicals Limited	No	17 Years	STS Chemicals Limited was merged in Punjab Chemicals and Crop Protection Limited in 2005. The Company is in the process of filing for transfer of ownership and that there is no dispute in relation to ownership of these flats.

g. Capital work in progress

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total
Balance as at 1 April 2020	**-**	**-**	**448**	**980**	**-**	**-**	**-**	**1,428**
Additions	-	-	591	2,662	-	-	-	3,253
Disposals /other adjustments	-	-	-	-	-	-	-	-
Capitalisations	-	-	752	2,433	-	-	-	3,185
Balance as at 31 March 2021	**-**	**-**	**287**	**1,209**	**-**	**-**	**-**	**1,496**
Additions	-	-	260	1,866	-	-	-	2,126
Disposals /other adjustments	-	-	-	-	-	-	-	-
Capitalisations	-	-	439	2,508	-	-	-	2,947
Balance as at 31 March 2022	**-**	**-**	**108**	**567**	**-**	**-**	**-**	**675**

Capital-work- in progress ageing schedule as at 31 March 2022

CWIP	Amount in CWIP for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Projects in progress	610	65	-	-	675	Refer note below
Projects temporarily suspended	-	-	-	-	-	
Total	**610**	**65**	**-**	**-**	**675**	

Capital-work- in progress ageing schedule as at 31 March 2021

CWIP	Amount in CWIP for a period of				
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress	1,496	-	-	-	1,496
Projects temporarily suspended	-	-	-	-	-
Total	**1,496**	**-**	**-**	**-**	**1,496**

Note: Capital work in progress amounting to ₹ 65 is overdue as per the original plan Subsequently the Company has revised its plan for the projects which are outstanding for more then a year. As per revised plan the expected date of capitalisation is upto October 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022
(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 2020	3	641	23	667
Depreciation for the year	-	138	3	141
Balance as at 31 March 2021	**3**	**503**	**20**	**526**
Balance as at 1 April 2021	3	503	20	526
Additions	-	130	-	130
Depreciation for the year	-	174	3	177
Balance as at 31 March 2022	**3**	**459**	**17**	**479**

Notes:

a. The Company has also taken or 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 ₹ 46 (previous year ₹ 21) towards expenses relating to short-term leases for which the recognition exemption has been applied.

b. The total cash outflow for leases, including cash outflow for short term and low value leases, is ₹ 302 (previous year ₹ 108).

c. Lease agreement not held in the name of Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Lease agreement for Industrial building at H.A.Limited Compound Pimpri, Pune, Maharashtra	Not applicable. Lease premises has immovable Property plant and equipment of ₹ 173 lakhs (Net Value ₹ Nil.)	Excel Prospho Chem (Sole Proprietors)	No	17 Years	Excel Phospho Chem was merged with STS Chemicals Limited and STS Chemicals Limited was merged with Punjab Chemicals and Crop Protection Limited in 2005. The appeal is pending in the District Court, Pune under the Public Premises Act 1971. Also refer to note 41(a) (iii) of the financial Statements.

Note 5: Other intangible assets and intangible assets under development

Gross carrying amount

	Computer Software	Product registrations	Technical know how	Total
Balance as at 1 April 2020	181	711	320	1,212
Additions - internally generated	-	-	-	-
Additions - acquired	-	7	-	7
Disposals	-	-	-	-
Balance as at 31 March 2021	**181**	**718**	**320**	**1,219**
Balance as at 1 April 2021	181	718	320	1,219
Additions - internally generated	-		-	-
Additions - acquired	11	-	-	11
Disposals	-	-	-	-
Balance as at 31 March 2022	**192**	**718**	**320**	**1,230**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

	Computer Software	Product registrations	Technical know how	Total
Accumulated amortisation				
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**
Balance as at 1 April 2021	132	650	305	1,087
Amortisation for the year	37	12	6	55
Disposals	-	-	-	-
Balance as at 31 March 2022	**169**	**662**	**311**	**1,142**
Carrying amounts (net)				
As at 31 March 2021	**49**	**68**	**15**	**132**
As at 31 March 2022	**22**	**56**	**9**	**88**

Note:

a. As at 31 March 2022, the estimated remaining amortization period for intangible assets are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Computer Software	0 to 3 years	0 to 3 years
Product registrations	0.17 to 9 years	0.17 to 9 years
Technical know how	0 to 1 years	0 to 1 years

b. **Intangible assets under development**

	Computer Software	Product registrations	Technical know how	Total
Balance as at 1 April 2020	**4**	**64**	**-**	**68**
Additions	3	1	-	4
Disposals	-	11	-	11
Capitalisations	-	7	-	7
Balance as at 31 March 2021	**7**	**47**	**-**	**54**
Additions	-	2	-	2
Disposals	-	-	-	-
Capitalisations	7	-	-	7
Balance as at 31 March 2022	**-**	**49**	**-**	**49**

c. **Intangible assets under development ageing schedule as on 31 March 2022:**

Intangible assets under development	Amount in Intangible assets under development for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Product registration projects	3	-	3	43	49	Refer note below
Total	**3**	**-**	**3**	**43**	**49**	

Intangible assets under development ageing schedule as on 31 March 2021:

Intangible assets under development	Amount in Intangible assets under development for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Product registration projects	-	-	3	51	54	Refer note below
Total	**-**	**-**	**3**	**51**	**54**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note: These projects relate to certain product registration submission to regulatory authority for which the necessary approvals are currently awaited. These approval are expected to be received in the near term basis which these will be capitalised as product registration.

Note 6: Investments

A. **Non-current investments**

	As at 31 March 2022	As at 31 March 2021
Investments in equity shares		
Quoted equity shares		
Equity shares (at fair value through other comprehensive income)		
- Bank of Baroda 187 (31 March 2021: 187) equity shares of ₹ 10 each fully paid-up ^	0.21	0.14
- Canara Bank 63 (31 March 2021: 63) equity shares of INR 10 each fully paid-up ^	0.14	0.10
	0.35	**0.24**
Unquoted equity shares		
Other Companies (fair value through other comprehensive income)		
- Nimbua Green Field (Punjab) Limited 84,375 (31 March 2021: 84,375) equity shares of INR 10 each fully paid-up	122	118
- Mohali Green Environment Private Limited 100,000 (31 March 2021: 100,000) equity shares of INR 10 each fully paid-up"	10	10
- SVC Cooperative Bank Limited 100 equity shares (31 March 2021: Nil) equity shares of INR 25 each fully paid-up	0.03	0.03
Total non-current investments	**132**	**128**

B. **Current investments**

	As at 31 March 2022	As at 31 March 2021
Quoted		
Investments in mutual funds measured at fair value through statement of profit and loss		
36.209 (31 March 2021: Nil) units of INR 5164.43 in Nippon India Mutual Fund.	2	-
23,864.84 (31 March 2021: Nil) units of INR12.33 in IDFC Mutual Fund.	3	-
Total current investments	**5**	**-**
Aggregate book value of quoted investments ^	4.97	4.97
Aggregate market value of quoted investments ^	5.16	0.24
Aggregate value of unquoted investments	132	128

^ Value of investment is less than ₹ 1 lakh (previous year: less than ₹ 1 lakh).

Note 7: Other financial assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Security deposits	300	76	278	75
Deposits with original maturity of more than 12 months	62	-	22	-
Interest receivable	-	31	-	19
Export incentive recoverable	-	442	-	581
Insurance claim receivable	-	-	-	460
Other receivable	-	141	-	-
	362	**690**	**300**	**1,135**

Refer note 38(b) for information about credit risk and market risk of other financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 8: Income tax assets (net)

	As at 31 March 2022	As at 31 March 2021
Advance income-tax and tax deducted at source (net of provision ₹ 1,456 (31 March 2021: ₹ 1,456))	649	649
	649	**649**

Note 9: Other non-current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
Capital advances		
- to others considered good	424	308
- to others considered doubtful	40	-
Less- Provision for doubtful	(40)	-
	424	**308**

Note 10: Inventories

(At lower of cost and net realizable value)

	Note	As at 31 March 2022	As at 31 March 2021
Raw materials	(a), (b)	9,152	6,068
Work-in-progress	(b)	1,903	1,353
Finished goods	(a)	3,269	2,012
Stock-in-trade		11	38
Stores and spares		847	535
Packing material		190	124
		15,372	**10,130**

Notes:

(a) Includes goods-in-transit:		
- raw materials	1,126	822
- finished goods	305	419

Note 11: Trade receivables

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2022 Current	As at 31 March 2021 Current
Trade receivables	11,280	8,450
Trade receivables from related party (refer note 42)	4	4
Less: expected credit loss allowance	(101)	(70)
	11,183	**8,384**
Break-up of trade receivables:		
Trade receivable considered good -Secured	-	-
Trade receivable considered good -Unsecured	11,255	8,425
Trade receivable which have significant increase in credit risk	8	8
Trade receivable- credit impaired	21	21
Total	**11,284**	**8,454**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

	As at 31 March 2022 Current	As at 31 March 2021 Current
Less: expected credit loss allowance		
-Trade receivable considered good - secured	-	-
-Trade receivables considered good - unsecured	(72)	(41)
-Trade receivables which have significant increase in Credit risk	(8)	(8)
-Trade Receivables – credit impaired	(21)	(21)
Total trade receivables	**11,183**	**8,384**

Trade receivables ageing schedule:

As at 31 March 2022	Outstanding for following periods from due date of payment									
	Unbilled	Not due	< 6 months	6 months -1 year	1 year - 2 years	2 year - 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed Trade Receivable - considered good	1191	7675	2,220	23	4	14	128	11,255	72	11,183
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	21	21	21	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	8	8	8	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-	-	-	-
Total	**1,191**	**7,675**	**2,220**	**23**	**4**	**14**	**157**	**11,284**	**101**	**11,183**

As at 31 March 2021	Outstanding for following periods from due date of payment									
	Unbilled	Not due	< 6 months	6 months -1 year	1 year - 2 years	2 year - 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed Trade Receivable - considered good	398	2117	5,682	82	5	6	135	8,425	41	8,384
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	21	21	21	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	8	8	8	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-		-	-	-
Total	**398**	**2,117**	**5,682**	**82**	**5**	**6**	**164**	**8,454**	**70**	**8,384**

Refer note 38(b) for information about credit risk and market risk of trade receivables.

Refer note 18(C) for hypothecation of current assets against term loan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 12: Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- Current accounts	835	1,137
- Fixed deposits with original maturity upto three months	0	13
Cash on hand	7	6
	842	**1,156**

Refer note 18(C) for hypothecation of current assets against term loan.

Note 13: Bank balances other than above

	As at 31 March 2022	As at 31 March 2021
Deposit accounts with original maturity more than 3 months and upto 12 months from the reporting date #	278	282
Balance in unclaimed dividend accounts	5	3
	283	**285**

These deposits include restricted bank deposits ₹ 203 (31 March 2021: ₹ 156) pledged as margin money.

Note 14: Loans
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Advances recoverable from others				
- considered good	-	-	-	135
- considered doubtful	16	24	16	24
Less: expected credit loss allowance	(16)	(24)	(16)	(24)
Loans to employee	-	6	-	6
	-	**6**	**-**	**141**

Refer note 38(b) for information about credit risk and market risk of loans.

Note 15: Other current assets
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
Recoverable from/ balances with government authorities		
- considered good	2,395	1,360
- considered doubtful	41	169
Less: provision for doubtful balance recoverable from government authorities	(41)	(169)
Advances for supply of goods and services	667	236
Export benefit receivable on advance licecne	171	-
Prepaid expenses	275	136
Contract assets	359	308
Others	1	5
	3,869	**2,045**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 16: Equity Share capital

(i) Details of share capital

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 10 each	19,800,000	1,980	19,800,000	1,980
9.8% redeemable cumulative preference shares of ₹ 100 each	20,000	20	20,000	20
	19,820,000	**2,000**	**19,820,000**	**2,000**
Issued Shares				
Equity shares of ₹ 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 ₹ 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 2022		As at 31 March 2021	
	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 ₹ 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 company

Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Hem-sil Trading and Manufacturing Private Limited	4,017,318	32.76%	4,017,318	32.76%
Gowal Consulting Services Private Limited	3,000,000	24.47%	3,000,000	24.47%

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2022

During the five years immediately preceding 31 March 2022, 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

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

(vi) Promotors Shareholdings

S. No.	Promoter's name	As at 31 March 2022		As at 31 March 2021		% change during the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Rupam Shalil Shroff	207,293	1.69	207,293	1.69	-
2	Shalil S Shroff	230,581	1.88	230,581	1.88	-
3	Shalil Shroff HUF	77,652	0.63	77,652	0.63	-
4	Hemal Raju Shete	212,812	1.74	212,812	1.74	-
5	Malvika Shalil Shroff	35,340	0.29	35,340	0.29	-
6	Inshika Shalil Shroff	27,894	0.23	27,894	0.23	-
7	Hem-sil Trading and Manufacturing Pvt Ltd.	4,017,318	32.76	4,017,318	32.76	-
Total		**4,808,890**	**39.22**	**4,808,890**	**39.22**	**-**

Note 17: Other equity

(i) Capital reserve

Capital reserve represents the forfeited share application money of ₹ 185 received for preferential convertible warrants in 2008-2009 and ₹ 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 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 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

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 18: Borrowings

	Note	As at 31 March 2022	As at 31 March 2021
A. Non-current borrowings			
Secured			
From Banks			
Term loan	(a), (b)	4,954	5,957
From Others			
Vehicle finance scheme	(c)	158	49
Hire Purchase finance scheme	(d)	-	5
		5,112	**6,011**
Unsecured			
From Others			
Inter-corporate deposits - from related party (refer note 42)	(e)	1,585	1,585
		1,585	**1,585**
Total non current borrowings (including current maturities)		**6,697**	**7,596**
Less: Current maturities of non-current borrowings		1,241	1,124
		5,456	**6,472**

Notes:

(a) Term loan from RBL Bank amounting to ₹ 496 (31 March 2021: ₹ 991) carrying interest rate of 11.25% p.a. (31 March 2021: 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 previous year, the Company had availed the moratorium extension announced by Reserve Bank of India. Accordingly, the loan was repayable in 12 equal quarterly installments of ₹ 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.

(b) Term loan from SVC Co-operative Bank Ltd. amounting to ₹ 4,458 (31 March 2021: ₹ 4,966) carrying interest rate of 9.70% p.a. (31 March 2021: 9.70%) 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 70 (31 March 2021: 78) equal monthly installments.

(c) - Loan from Indostar Capital Finance Limited under vehicle finance scheme amounting to ₹ 7 (31 March 2021: ₹ 49) carrying interest rate of 11.03% (31 March 2021: 11.03%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in 5 (31 March 2021: 17) equal monthly installments.

- Loan from SVC Co-operative Bank Limited under vehicle finance scheme amounting to ₹ 151 (31 March 2021: Nil) carrying interest rate of 7.75% (31 March 2021: Nil) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in 60 (31 March 2021: Nil) equal monthly installments.

(d) Loan from Hewlett Packard Financial Services (India) Private Limited under hire purchase scheme amounting to ₹ Nil (31 March 2021 : ₹ 5) carrying interest rate of 13.86% (31 March 2021: 13.86%) for purchase of computer hardware. The loan is repayable in Nil (31 March 2021 : 3) equal quarterly instalments.

(e) Inter-corporate deposits amounting to ₹ 1,585 (31 March 2021: INR 1,585) is carrying interest rate of 12.75% to 16.50% p.a (31 March 2021: 12.75% to 16.50% p.a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

	Note	As at 31 March 2022	As at 31 March 2021
B. Current borrowings			
Loans repayable on demand			
- from banks (secured)	(a)	2,031	545
Others			
- Current maturity of non-current borrowings		1,241	1,124
		3,272	**1,669**
		8,728	**8,141**

Notes:

(a) Cash credit amounting to ₹ 2,031 (31 March 2021: Nil) carrying interest rate of 8.75% p.a. (31 March 2021: Nil) 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 Derabassi, Punjab and exclusive charge by way of hypothecation on all movable property, including plant and machinery, situated at Derabassi, Punjab.

(b) Packing credit amounting to ₹ Nil (31 March 2021: ₹ 545) availed in foreign currency carrying interest rate of Nil. (31 March 2021: 6%) is secured by exclusive charge by way of hypothecation on all current assets of the Company, both present and future. It was 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.

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 2022	As at 31 March 2021
Property, plant and equipment	19,838	17,436
Inventory	15,372	10,130
Other current assets (including financial assets)	16,878	13,146
	52,088	**40,712**

D. Reconciliation of movements of liabilities to cash flows arising from financing activities

	As at 31 March 2022	As at 31 March 2021
Borrowings at the beginning of the year (current and non current)	8,030	9,071
Proceeds from non-current borrowings	152	4,994
Repayment of non-current borrowings	(1,015)	(1,776)
Repayment / proceeds of current borrowings** (net)	1,487	(4,259)
Borrowings at the end of the year (current and non current)	**8,654**	**8,030**

Note 19: Lease liabilities

	As at 31 March 2022	As at 31 March 2021
Non-current		
Total non current lease liability (including current maturities)	604	650
Less: Current maturities of non-current lease liabilities	217	171
Total non current lease liability	**387**	**479**
Current		
Current maturities of non-current lease liabilities	217	171
	217	**171**

* Current and non-current classification is based on contractual maturities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

(a) 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.

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 2022	Year ended 31 March 2021
Interest on lease liabilities	70	71
Expenses relating to short-term leases	79	21
	149	**92**

(ii) The following is the break-up of current and non-current lease liabilities

	As at 31 March 2022	As at 31 March 2021
Non-current lease liabilities	439	479
Current maturities of lease liabilities	166	171
	604	**650**

(iii) The weighted average incremental borrowing rate applied to lease liabilities is 11.25%

(iv) As at 31 March 2022, the Company has a lease liability balance of ₹ 605 (previous year ₹ 650). During the year, the company entered into new leases agreement of ₹ 130 (previous year ₹ 4).

(v) The following is the information regarding the contractual maturities of lease liabilities on an undiscounted basis::

	As at 31 March 2022	As at 31 March 2021
Less than one year	166	171
One to five years	531	617
More than five years	-	-
Total	**697**	**788**

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.

Note 20: Provisions

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 40)				
Liability for Gratuity	1,316	347	1,152	385
Liability for compensated absences	364	183	405	215
	1,680	**530**	**1,557**	**600**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 21: Deferred tax

	As at 31 March 2022	As at 31 March 2021
Deferred tax assets on account of:		
- Expenses allowable on payment basis	450	451
- Expected credit loss allowance	86	100
- Expenses allowed on deferred basis under income tax	6	6
- Lease liabilities	33	23
Deferred tax asset (A)	**575**	**580**
Deferred tax liabilities on account of:		
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	985	886
Deferred tax liability (B)	**985**	**886**
Deferred tax (liability)/ asset (net) (A - B)	**(410)**	**(306)**

Movement in temporary differences:

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)**

2021-2022	As at 1 April 2021	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2022
- Expenses allowable on payment basis	451	(17)	16	450
- Expected credit loss allowance	100	(14)	-	86
- Expenses allowed on deferred basis under income tax	6	-	-	6
- Lease liabilities	23	10	-	33
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(886)	(99)	-	(985)
	(306)	**(120)**	**16**	**(410)**

Note 22: Other non-current liabilities

	As at 31 March 2022	As at 31 March 2021
Deferred government grant	-	2
Deferred revenue	2	14
Advance from customers	265	476
	267	**492**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 23: Trade payables

	As at 31 March 2022	As at 31 March 2021
(a) Total outstanding dues of micro enterprise and small enterprises	689	721
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	12,528	10,629
	13,217	**11,350**

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 2022	As at 31 March 2021
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	689	721
- Interest	5	4
(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.	34	39
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	39	43
(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.	39	43

Refer note 38(b) for information about liquidity risk and market risk of trade payables.

Trade payables ageing schedule as at 31 March 2022:

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	429	260	-	-	-	689
Total outstanding dues of creditors other than micro enterprises and small enterprises	174	6,297	5,552	315	159	31	12,528
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**174**	**6,726**	**5,812**	**315**	**159**	**31**	**13,217**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Trade payables ageing schedule as at 31 March 2021:

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	517	204	-	-	-	721
Total outstanding dues of creditors other than micro enterprises and small enterprises	192	5,305	4,782	71	142	137	10,629
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**192**	**5,822**	**4,986**	**71**	**142**	**137**	**11,350**

Note 24: Other financial liabilities

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Interest accrued and due on borrowings	-	84	-	71
Unpaid dividend #	-	5	-	3
Payable to government (revenue department)	-	215	-	-
Interest bearing security deposits from customers	-	63	-	72
Security deposit from employees	-	188	-	202
Due to subsidiaries (refer note 41)	-	-	-	-
Employee related liabilities	-	742	-	625
Capital creditors	-	357	-	369
Others	-	1,654	-	1,462
	-	**3,308**	**-**	**2,804**

not due for deposit to investor education and protection fund

Refer note 38(b) for information about liquidity risk and market risk of other financial liabilities.

Note 25: Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advance from customers	1,595	2,872
Deferred revenue	39	89
Deferred interest income	-	8
Deferred government grant	2	2
Statutory dues	581	378
	2,217	**3,349**

Note 26: Current tax liabilities (net)

	As at 31 March 2022	As at 31 March 2021
Provision for income tax (net of advance tax of ₹ 3,289 (31 March 2021: ₹ 1461)	2,203	1,398
	2,203	**1,398**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 27: Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products		
Finished goods	76,462	59,704
Traded goods	2,633	2,192
Sale of services	12,611	4,587
Other operating revenues:		
Scrap sales	127	74
Export incentive	1,326	1,099
Others	187	162
	93,346	**67,818**

Revenue disaggregation by geography is as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Geography:		
India	42,696	24,226
Outside India		
Europe (including united kingdom)	36,071	21,910
Japan	8,980	7,348
Others	3,959	12,999
Total	**91,706**	**66,483**

Information about major customers:

Revenue from 2 customer of the Company amounting to ₹ 50,371 (previous year: ₹ 28,832) and ₹ 7,583 (previous year: ₹ 5,843) respectively, constitute more than 10% of the total revenue of Company.

Changes in Unbilled revenue are as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	398	306
Invoices raised during the year	(398)	(306)
Revenue recognised during the year (yet to be invoiced)	1,191	398
Balance at the end of the year	**1,191**	**398**

Changes in Deferred revenue are as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	102	46
Revenue recognised during the year	(62)	56
Balance at the end of the year	**40**	**102**

Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Contracted price	91,753	66,517
Reductions towards variable consideration components*	(47)	(34)
Revenue recognised	**91,706**	**66,483**

*The reduction towards variable consideration comprises of trade discount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 28: Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income		
- on fixed deposits	8	19
- others	31	13
Reversal of impairment loss on doubtful advances	4	28
Liability no longer required written back	6	6
Rental income	1	1
Amortisation of government grant	2	2
Exchange gain on foreign exchange fluctuation (net)	-	88
Gain on fair valuation of mutual fund	5	-
Gain on sale of property, plant and equipment (net)	-	21
Fire Insurance Claim	12	-
Others	24	5
	93	**183**

Note 29: Cost of materials consumed

	Year ended 31 March 2022	Year ended 31 March 2021
Inventory of raw material at the beginning of the year	6,068	4,108
Add: Purchases of raw materials	61,177	41,485
Less: Inventory of raw material at the end of the year	(9,152)	(6,068)
	58,093	**39,525**

Note 30: Purchases of stock-in-trade

	Year ended 31 March 2022	Year ended 31 March 2021
Chemicals	625	445
	625	**445**

Note 31: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock		
Work-in-progress	1,353	2,934
Finished goods	2,012	926
Stock-in-trade	38	81
	3,403	**3,941**
Less: Closing stock		
Work-in-progress	1,903	1,353
Finished goods	3,269	2,012
Stock-in-trade	11	38
	5,183	**3,403**
	(1,780)	**538**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 32: Employee benefits expense

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	6,532	5,731
Contribution to provident and other funds	718	665
Staff welfare expenses	412	372
	7,662	**6,768**

Note 33: Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on financial liabilities measured at amortized cost	922	904
Other borrowing cost	312	442
	1,234	**1,346**

Note 34: Depreciation and amortization expense

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment	3	1,435	1,240
Depreciation of right of use assets	4	177	141
Amortization of intangible assets	5	55	105
		1,667	**1,486**

Note 35: Other expense

	Year ended 31 March 2022	Year ended 31 March 2021
Stores and spares consumed	305	241
Power and fuel	6,010	4,115
Repairs and maintenance	1,507	1,091
Sub-contracting charges	747	626
Rent	79	21
Rates and taxes	277	113
Insurance charges	315	316
Traveling and conveyance	493	289
Commission on sales	66	94
Packing expenses	798	719
Freight and handling expenses	1,495	966
Job work expenses	285	225
Legal and professional fees	467	387
Director's sitting fees	13	16
Commission to director	230	150
Charity and donations (other than political parties)	8	6
Corporate Social Responsibility expenditure	76	50
Advances written off	-	1
Property, plant and equipment written off	-	9
Loss on sale of plant, property and equipment (net)	33	-
Expected credit loss on trade receivables and advances	35	3
Provision for capital advance	40	-
Marketing and promotional expenses	86	74
Exchange loss on foreign exchange fluctuations	56	199
Miscellaneous expenses	1,356	1,281
	14,777	**10,992**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 36: Tax expense

a) Income tax recognised in statement of profit and loss

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax		
- Current year	2,695	1,551
- Adjustments in respect of current tax of previous year	-	-
	2,695	**1,551**
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	120	442
	120	**442**
Total tax expense recognised	**2,815**	**1,993**

b) Reconciliation of effective tax rate

	Year ended 31 March 2022	Year ended 31 March 2021
Accounting profit before income tax	11,161	6,901
Tax at India's statutory tax rate of 25.168% (31 March 2021: 25.168%)	2,785	1,737
Effect of expense that are non-deductible expenses in determining taxable profits	112	6
Effect of change in estimate related to previous year	(84)	236
Effect of tax on sale of investment property	-	65
Others	2	(51)
Income tax expense recognised in the statement of profit and loss	**2,815**	**1,993**

c) Income tax expense recognised in other comprehensive income

	Year ended 31 March 2022	Year ended 31 March 2021
Arising on income and expenses recognized in other comprehensive income		
Remeasurement of defined benefit obligation	17	(16)
Equity investments through other comprehensive income- net change in fair value	(1)	(2)
Total income tax recognised in other comprehensive income	**16**	**(18)**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	16	(18)
Items that will be reclassified to profit or loss	-	-
	16	**(18)**

Note 37: Earnings per share

	Year ended 31 March 2022	Year ended 31 March 2021
Profit after tax for basic and diluted EPS per share	8,346	4,908
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 ₹ 10 each)	**68.06**	**40.04**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 38(a): Fair values

Financial instruments by category and fair values	Note	Level of hierarchy	As at 31 March 2022			As at 31 March 2021		
			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	-	-	132	-	-	128
Trade receivables			-	-	-	-	-	-
Loans	(b)		-	-	-	-	-	-
Other financial assets	(b)		-	362	-	-	300	-
Current								
Trade receivables	(c)		-	11,183	-	-	8,384	-
Cash and cash equivalents	(c)		-	842	-	-	1,156	-
Other bank balances	(c)		-	283	-	-	285	-
Loans	(c)		-	6	-	-	141	-
Other financial assets	(c)		-	690	-	-	1,135	-
Total financial assets			**-**	**13,366**	**132**	**-**	**11,401**	**128**
Financial liabilities (non-derivative)								
Non-current								
Borrowings	(d)	3	-	5,456	-	-	6,472	-
Other financial liabilities	(b)		-	-	-	-		-
Current								
Borrowings	(c)	3	-	3,272	-	-	1,669	-
Trade payables	(c)		-	13,217	-	-	11,350	-
Other financial liabilities	(c)		-	3,308	-	-	2,804	-
Total financial liabilities			**-**	**25,253**	**-**	**-**	**22,295**	**-**

(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.

There are no transfers between level 1, level 2 and level 3 during the current year and previous year

Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	128	118
Re-measurement recognized in OCI	4	10
Balance at the end of the year	**132**	**128**

^ Value of investment is less than ₹ 1 (previous year: ₹ 1).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 38(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 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 2022	As at 31 March 2021
- Investments	137	128
- Trade receivables	11,183	8,384
- Cash and cash equivalents	842	1,156
- Other bank balances	283	285
- Loans	6	141
- Other financial assets	690	1,135

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 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 2022	As at 31 March 2021
Within India	7,038	4,364
Outside India	4,145	4,020

The carrying amount of the Company's most significant customer is ₹ 4,521 (31 March 2021: ₹ 2,443).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

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 2022			
Less than 6 Months	11,086	60	11,026
More than 6 Months	198	41	157
	11,284	**101**	**11,183**
31 March 2021			
Less than 6 Months	8,197	-	8,197
More than 6 Months	257	70	187
	8,454	**70**	**8,384**

The movement in the allowance for impairment in respect of trade receivables is as follows

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Balance as at the beginning of the year	70	1,268
Provision made during the year	35	3
Amounts written back	(4)	(1,201)
Balance as at the end of the year	**101**	**70**

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 ₹ 842 at 31 March 2022 (31 March 2021: ₹ 1156). The cash and cash equivalents are held with scheduled banks.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

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.

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
As at 31 March 2022				
Borrowings (including current maturities)	3,272	5,456	-	8,728
Trade and other payables	13,217	-	-	13,217
Other financial liabilities	3,308	-	-	3,308
	19,797	**5,456**	**-**	**25,253**
As at 31 March 2021				
Borrowings (including current maturities)	1,669	6,472	-	8,141
Trade and other payables	11,350	-	-	11,350
Other financial liabilities	2,804	-	-	2,804
	15,823	**6,472**	**-**	**22,295**

(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:

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 2022	As at 31 March 2021
Fixed rate borrowings	6,697	7,597
Floating rate borrowings	2,031	545
Total borrowings (gross of transaction cost)	**8,728**	**8,141**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

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 2022				
Interest rate (0.5% movement)	10	(10)	3	(3)
Year ended 31 March 2021				
Interest rate (0.5% movement)	3	(3)	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 2022		As at 31 March 2021	
		Amount in indian currency	Amount in foreign currency	Amount in indian currency	Amount in foreign currency
Trade receivable	EUR	1,110	13	2,765	32
	USD	3,419	45	1,460	20
	GBP ^	4	0.04	13	0.13
Trade payable	EUR	103	1	105	1
	USD	2,552	34	2,539	34
Packing credit	EUR	-	-	545	6

^ amount is less than ₹ 1

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2022 and 31 March 2021 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 2022				
USD (2% movement)	(17)	17	(13)	13
EURO (2% movement)	(20)	20	(15)	15
GBP (2% movement)	-	-	-	-
31 March 2021				
USD (2% movement)	22	(22)	16	(16)
EURO (2% movement)	(42)	42	(32)	32

^ amount is less than ₹ 1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 39: 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 'total debt' to 'total equity'. For this purpose, total debt is defined as total borrowings. 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 2022	As at 31 March 2021
Total debt	33,164	30,647
Total equity	22,562	14,453
Debt to equity ratio	**1.47**	**2.12**

(ii) Dividends

	Year ended 31 March 2022	Year ended 31 March 2021
Final dividend for the year ended 31 March 2021 of ₹ 2.00 (31 March 2020: ₹ 1.50) per fully paid equity share *	245	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 ₹ 2.00 (31 March 2021: ₹ 2.00) per fully paid equity share. The proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting.The dividend declaration is in accordance with section 123 of the companies Act, 2013 to the extent its applies to declaration of dividend.	368	245

* 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

Note 40: Employee benefits

A. Assets and liabilities relating to employee benefits

	As at 31 March 2022	As at 31 March 2021
Non-current		
Liability for gratuity	1,316	1,152
Liability for leave encashment	364	405
	1,680	**1,557**
Current		
Liability for gratuity	347	385
Liability for leave encashment	183	215
	530	**600**
	2,210	**2,158**

For details about the related employee benefit expenses, refer to note no. 31.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

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 :

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Included in Contribution to Provident and Other Funds (Refer Note 32)		
Provident Fund	435	383
Superannuation Fund	251	256
ESI contribution	30	23
	716	**662**

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

(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 2022	As at 31 March 2021
b) Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	2,064	2,181
Interest cost	140	148
Current service cost	107	95
Past service cost	-	-
Benefits paid	(261)	(295)
Actuarial loss recognised in other comprehensive income		
- from changes in financial assumptions	(13)	56
- from changes in demographic assumptions	-	-
- from experience adjustments	78	(121)
Balance at the end of the year	**2,115**	**2,064**
c) Reconciliation of the present value of plan assets		
Balance at the beginning of the year	527	57
Expected Interest Income	34	5
Contributions paid by the employer	115	730
Benefits paid	(223)	(265)
Actuarial loss for the year on Assets	-	-
Balance at the end of the year	**453**	**527**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
d) Amount recognized in statement of profit and loss		
Total service cost	107	95
Interest cost on benefit obligation	105	144
Amount recognized in statement of profit and loss	**212**	**239**
e) Remeasurements recognised in other comprehensive income		
Actuarial loss for the year on defined benefit obligation	65	65
Return on plan assets (excluding interest income)	(2)	1
Total Actuarial gain / (loss) for the year	**67**	**66**

f) Plan assets

100% of the plan assets are managed by LIC

g) Actuarial assumptions

(i) **Economic assumptions:** The principal assumptions arc the discount rate 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 2022	As at 31 March 2021
Discount rate (per annum)	7.15%	6.80%
Future salary growth rate (per annum)	5.75%	5.50%
Expected rate of return on plan assets (per annum)	7.05%	7.05%
Expected average remaining working lives (years)	18.15	18.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

(ii) Demographic assumptions:

Particulars	As at 31 March 2022	As at 31 March 2021
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:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(59)	62	(58)	61
Future salary growth rate (0.5% movement)	60	(57)	59	(57)

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

Undiscounted amount of expected benefit payments for next 10 years are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Within 1 year	347	385
1-2 year	171	162
2-3 year	244	151
3-4 year	154	206
4-5 year	174	139
5-10 years	1,026	1,020

j) Weighted average duration and the expected employers contribution for next year of the defined benefit plan:

Particulars	As at 31 March 2022	As at 31 March 2021
Weighted average duration of the defined benefit plan (in years)	14.41	14.51
Expected employers contribution for next year	225	215

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 41: Contingent liabilities and commitments (to the extent not provided for)

(a) Claims against the company not acknowledged as debts

	As at 31 March 2022	As at 31 March 2021
Income Tax matters	1,325	7,668
Sales tax matters	11	11
Labour laws matters	4	4
Service Tax matters	1	1
	1,341	**7,684**

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 previous year, Income tax Assessing officer had 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 ₹ 4,384 and ₹ 3,281 respectively. Subsequently, the Company had filed the rectification request and during the year the Assessing officer issued rectification order under section 154 by reducing the demand to ₹ 556 and ₹ 419 respectively. During the year, 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) A. In earlier years, the Directorate of Revenue Intelligence - Ahmadabad had asked the Company to re-ascertain the benefits claimed under the Merchandise Exports from India Scheme from 1 April 2015 onwards. Consequently, the Company basis expert view, had assessed a liability for the differential amount to be refunded for the period from 1 April 2015 till 31 December 2019 amounting to ₹ 907 lakhs (including interest 130 lakhs) which was also paid in the previous year.

During previous year, the Company had also received a show cause notice (SCN) from DRI Ahmadabad on 28 December 2020 under the Custom Act, 1962 who also appointed 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.

B. In earlier years, the Directorate of Revenue Intelligence – Kolkata had initiated an inquiry in relation to the manner in which the Company was claiming refund of IGST on input material at the time of export. During the current year, the Company received summons from the office of Central goods and Service tax commissioner, Ludhiana seeking further documents in relation to the above. While we have not received any show cause or Notice of demand, in the interim, we have also preferred to file a write petition in the High court of Punjab and Haryana requesting the court to give suitable directions on the above matter.

(iii) The Company had received a notice of eviction in relation to the Pune facility which was under a lease arrangement. We have filed an appeal Court of district judge Pune in relation to the aforesaid and have received a stay order in relation to the above.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

(b) Other Commitments

	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	1,410	486

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 42: 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 1 February 2021)
	Akola Chemicals (India) Limited
	U & I Initiatives LLP
Key managerial personnel	Mr. Shalil S Shroff (Managing Director)
	Mr. Avtar Singh (Whole time Director upto 30 September 2021)
	Mr. Vinod K Gupta (Chief Executive Officer) (w.e.f 8 February 2021)
	Dr. Sriram Swaminathan (Chief Financial Officer) (w.e.f 1 April 2020)
	Mr. Punit K Abrol (Sr. Vice President (Finance) & Company Secretary) (upto 31 Dec 2021)
	Mr. Jain Prakash (Sr. Vice President (Works))
	Mr. V Srinivas (GM Legal & Company Secretary) (w.e.f 27 January 2022)
Non Executive Directors	Mr. Mukesh D Patel
	Mr. Vijay D Rai
	Mr. Sheo Prasad Singh
	Capt. S S Chopra (Retd.)
	Mrs. Aruna R Bhinge
	Mr. Shivshankar S Tiwari
	Mr. Avtar Singh (w.e.f 1 October 2021)
Relatives of key managerial personnel	Ms. Malvika Shroff
	Mrs. Bhupinder Kaur
	Mr. Jaskaran Singh
	Ms. Sonal Tiwari

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(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 2022	Year ended 31 March 2021
a. Sale of goods			
Akola Chemicals (India) Limited	Enterprises where control over the composition of Governing Body exists	-	15
U & I Initiatives LLP	Enterprises where control over the composition of Governing Body exists	165	-
c. Payment of lease liabilities			
Shroff Family Master Trust	Enterprises where control over the composition of Governing Body exists	177	151
Shalil Shroff HUF	Enterprises where control over the composition of Governing Body exists	9	2
Ms. Malvika Shroff	Relatives of key managerial personnel	36	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
e. Interest expense during the year			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	210	371
f. Employee benefits paid			
Short term employee benefits			
Mr. Shalil S Shroff	Key managerial personnel	202	162
Mr. Avtar Singh	Key managerial personnel	164	130
Mr. Vinod K Gupta	Key managerial personnel	142	19
Dr. Sriram Swaminathan	Key managerial personnel	119	89
Mr. Punit K Abrol	Key managerial personnel	118	74
Mr. Jain Prakash	Key managerial personnel	93	80
Mr. V Srinivas	Key managerial personnel	15	-
Benefits to Relatives			
Mr. Jaskaran Singh	Relatives of key managerial personnel	16	12
g. Sale of Flat			
Ms. Malvika Shroff	Relatives of key managerial personnel	-	285
h. Commission			
Executive Directors	Key managerial personnel	147	105
Non Executive Directors	Key managerial personnel	83	45
i. Sitting Fees			
Non Executive Directors	Key managerial personnel	13	16
j. Legal & Professional			
Mrs. Bhupinder Kaur	Relatives of key managerial personnel	1	1
Ms. Sonal Tiwari	Relatives of key managerial personnel	27	27

Break-up of compensation of key managerial personnel of the Company

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Short-term employee benefits	853	555
Post-employment benefits	35	25
Total	**888**	**580**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

IV. Outstanding balances as at year end

Particulars	Relationship	As at 31 March 2022	As at 31 March 2021
a. Receivables			
Akola Chemicals (India) Limited	Enterprises where control over the composition of Governing Body exists	4	4
U & I Initiatives LLP	Enterprises where control over the composition of Governing Body exists	84	-
b. Borrowings			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	1,585	1,585
c. Security deposit from employees			
Mr. Shalil S Shroff	Key managerial personnel	2	2
Mr. Avtar Singh	Key managerial personnel	-	2
Mr. Punit K Abrol	Key managerial personnel	-	10
Mr. Jain Prakash	Key managerial personnel	20	11
d. Commission payable to directors			
Executive Directors	Key managerial personnel	147	105
Non Executive Directors	Key managerial personnel	83	45
e. Employee related liabilities			
Executive directors	Key managerial personnel	5	8
f. Interest accrued but not due			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	47	43
g. Legal and professional fees payable			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	4	-

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 43: 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.

A) Information about geographical areas

Year ended 31 March 2022

	Sale of goods *	Rendering of services *	Non current assets #
India	30,085	12,611	23,460
Outside India			
Europe (including United Kingdom)	36,071	-	-
Japan	8,980	-	-
Others	3,959	-	15
Total	**79,095**	**12,611**	**23,475**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

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**

* 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 ₹ 50,371 (previous year: ₹ 28,832) and ₹ 7,583 (previous year: ₹ 5,843) respectively, constitute more than 10% of the total revenue of Company.

Note 44: Ratio Analysis

a) Current ratio = Current assets divided by current liabilities

Particulars	31 March 2022	31 March 2021
Current assets	32,250	23,276
Current liabilities	24,964	21,341
Ratio	**1.29**	**1.09**
% Change from previous year	**18.44%**	

Reason for change more than 25%: NA

b) Debt equity ratio = Total debt divided by total shareholder's equity

Particulars	31 March 2022	31 March 2021
Total debt (excluding lease liabilities)	32,560	29,997
Total equity (excluding Non-controlling interests)	22,562	14,453
Ratio	**1.44**	**2.08**
% Change from previous year	**-30.47%**	

Reason for change more than 25%:

The ratio has decreased from 2.08 in March 2021 to 1.44 in March 2022 mainly due to increase in profit.

c) Debt service coverage ratio = Total operating income divided by total debt

Particulars	31 March 2022	31 March 2021
Profit/ (loss) before tax	11,161	6,901
Add: Non cash operating expenses and finance cost		
- Depreciation and amortization expense	1,667	1,486
- Finance costs	1,234	1,346
Total operating income	**14,061**	**9,733**
Total debt (excluding lease liabilities)	32,560	29,997
Ratio	**0.43**	**0.32**
% Change from previous year	**33.10%**	

Reason for change more than 25%:

The ratio has increased from 0.32 in March 2021 to 0.43 in March 2022 mainly due to increase in profit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

d) Return on equity ratio / return on investment ratio = Net profit after tax divided by average shareholder's equity

Particulars	31 March 2022	31 March 2021
Net profit/ (loss) after tax	8,346	4,908
Average shareholder's equity (excluding Non-controlling interests)	18,508	12,114
Ratio	**45.09%**	**40.52%**
% Change from previous year	**11.30%**	

Reason for change more than 25%: NA

e) Inventory turnover ratio = Net Sales divided by average inventory

Particulars	31 March 2022	31 March 2021
Sale of goods (Net Sales)	93,346	67,818
Average inventory	12,751	9,389
Ratio	**7.32**	**7.22**
% Change from previous year	**1.35%**	

Reason for change more than 25%: NA

f) Trade receivables turnover ratio = Net sales divided by average trade receivables

Particulars	31 March 2022	31 March 2021
Sale of goods (Net Sales)	93,346	67,818
Average trade receivables	9,783	6,575
Ratio	**9.54**	**10.31**
% Change from previous year	**-7.50%**	

Reason for change more than 25%: NA

g) Trade payables turnover ratio = Net purchases divided by average trade payables

Particulars	31 March 2022	31 March 2021
Net purchases	61,802	41,930
Average trade payables	12,283	10,147
Ratio	**5.03**	**4.13**
% Change from previous year	**21.76%**	

Reason for change more than 25%: NA

h) Net capital turnover ratio = Net sales divided by capital

Particulars	31 March 2022	31 March 2021
Sale of goods (Net Sales)	93,346	67,818
Average working Capital (Total current assets minus total current liabilities)	7,286	1,936
Ratio	**12.81**	**35.04**
% Change from previous year	**-63.43%**	

Reason for change more than 25%:

The ratio has decreased from 35.05 in March 2021 to 12.81 in March 2022 mainly due to increase in net working capital which is primarily due to increase in inventories and trade receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

i) Net profit ratio = Net profit after tax divided by Net sales

Particulars	31 March 2022	31 March 2021
Net profit/ (loss) after tax	8,346	4,908
Sale of goods (Net Sales)	93,346	67,818
Ratio	**0.09**	**0.07**
% Change from previous year	**23.54%**	

Reason for change more than 25%: NA

j) Return on capital employed = Earnings before interest and taxes (EBIT) divided by capital employed

Particulars	31 March 2022	31 March 2021
Profit/ (loss) before tax	11,161	6,902
Add: Finance costs	1,234	1,346
EBIT	**12,394**	**8,248**
Total assets	55,726	45,100
Total current liabilities	24,964	21,341
Capital employed	**30,762**	**23,759**
Ratio	**0.40**	**0.35**
% Change from previous year	**16.07%**	

Reason for change more than 25%: NA

Note 45: Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate social responsibility (CSR) activities. A CSR Committee has been formed by the company as per the Act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the act, in pursuant of the CSR policy:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
a) Gross amount required to be spent by the Group during the year	76	46
b) Amount spent during the year on (in cash):		
(i) Construction / Acquisition of any asset		42
(ii) On purpose other than (i) above	76	8
c) Excess/ (Shortfall) at the end of the year	**-**	**4**
d) Total of previous years shortfall	-	(4)
e) Details of related party transactions	-	-
f) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-
g) Reason for shortfall:		
h) Nature of CSR Activities:		
i) Eradicating poverty	27	13
ii) Promoting education	41	35
ii) Rural development projects	8	2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 46: Disclosures pursuant to Section 186 of the Companies Act, 2013:

Particulars	As at 31 March 2022	As at 31 March 2021
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	122	118
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 ₹ 1 (previous year: ₹ 1).

Note 47:

During the previous year, the Company had applied to authorized dealer for write off its certain old export receivables as per the provision / laws available. Accordingly, the Company had written off its debtors amounting to ₹ 959 and also written back ₹ 959 provision created in earlier years.

During the year the company has applied to authorised dealer for write back its old overseas payables as per the provision / laws available. Accordingly, the company has written back its vendor amounting to ₹ 135.

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 2022								
Parent								
Punjab Chemicals and Crop Protection Limited	107%	24,166	97%	8,082	-609%	(47)	96%	8,035
Subsidiary - Outside India								
S D Agchem (Europe) N.V	-7%	(1,649)	3%	290	715%	55	4%	345
Elimination	0%	44	0%	(26)	0%	-	0%	(26)
Total	**100%**	**22,561**	**100%**	**8,346**	**100%**	**8**	**100%**	**8,354**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

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	-123%	57	105%	5,111
Subsidiary - Outside India								
S D Agchem (Europe) N.V	-14%	(1,967)	-3%	(155)	222%	(103)	-5%	(258)
Elimination	0%	43	0%	9	0%	(0)	0%	9
Total	**100%**	**14,453**	**100%**	**4,908**	**100%**	**(46)**	**100%**	**4,862**

Note 49:
The Company has filed quarterly statement of current assets with banks and these are in agreement with books of account for all quarters in the current year and previous year, except for:

Quarter end date	Bank Name	Particulars	Amount as per books of account	Amount as reported in the quaterly statements	Amount of difference	Reason for Material discrepancy
30 June 2021	RBL Bank	Purchase	14,584	13,258	1,326	Cost of good sold plus purchase of trading wrongly shown as total purchase. The company has subsequently revised the statement on 3 May 2022 and the same has been acknowledged by the bank.

Note 50:
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.

Note 51:
The following figures for the year ended 31 March 2021 have been regrouped / reclassified to give effect of the amendments to Schedule III to the Companies Act, 2013

Particulars	Amount in lakhs	Presented as, in financial of the year ended 31 March 2021	Reclassified as, in financial of the year ended 31 March 2022
Security deposits (non current portion)	278	Loans (non current)	Other financial assets (non current)
Security deposits (current portion)	75	Loans (non current)	Other financial assets (current)
Contract asset	398	Other financial asset	Trade receivables (current)
Cost of fulfillment of contract	308	Other financial asset	Other current assets
Lease liability (non current portion)	479	Borrowing	Lease liability (non current)
Current Maturities of non current borrowings	1,124	Other financial liability	Borrowing (current)
Lease liability (current portion)	171	Other financial liability	Lease liability (current)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2022

(All amounts in Indian Rupees Lakhs except for share data)

Note 52: Relationship with Struck off Companies:
Where the company has any transactions with the companies struck off under section 248 of the companies Act, 2013 or section 560 of companies Act,1956, the company shall disclose the following details, namely:-

Year ended 31 March 2022:

Name of struck off Company	Nature of transactions with struck-off company	Balance outstanding	Relationship with the struck off company, If any to be disclosed
Samsung Weigh Scales Private Limited	Other Expenses-Repairs and maintenance	1	Third party
	Other Expenses-Stores and spares consumed	0	
	Payables	-	

Year ended 31 March 2021:

Name of struck off Company	Nature of transactions with struck-off company	Balance outstanding	Relationship with the struck off company, If any to be disclosed
Samsung Weigh Scales Private Limited	Other Expenses-Repairs and maintenance	0	Third party
	Other Expenses-Stores and spares consumed	0	
	Payables	0	
Noble Biotech Limited	Amount written back (rounding off)	-	
	Payables	-	

Note 53:
No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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: Mumbai
Date: 5th May, 2022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer
Place: Mumbai
Date: 5th May, 2022

V Srinivas
GM (Legal) & Company Secretary
Place: Mumbai

Dr Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

CORPORATE INFORMATION

Chairman Emeritus
Ghattu Ramanna Narayan

Chairman
Mukesh D Patel

BOARD OF DIRECTORS

Managing Director
Shalil S Shroff

Director
Capt. Surjit Singh Chopra (Retd.)
Vijay D Rai
Sheo Prasad Singh
Aruna R Bhinge
Shivshankar S Tiwari
Avtar Singh

KEY MANAGERIAL PERSONNEL

Chief Executive Officer
Vinod K Gupta

Chief Financial Officer
Dr. Sriram Swaminathan

Company Secretary & Compliance Officer
V Srinivas

Bankers
SVC Cooperative Bank Limited
RBL Bank Limited
Bank of Baroda

Auditors
Statutory Auditors
M/s. B S R & CO. L.L.P.
Chartered Accountants

Cost Auditors
M/s. Khushwinder Kumar & Co.
Cost Accountants

Secretarial Auditors
M/s. P. S. Dua & Associates
Company Secretaries

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Fax: 01762-280070
E-mail: info@punjabchemicals.com

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E-mail: enquiry@punjabchemicals.com

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Pune (Maharashtra)

Registrar & Share Transfer Agent
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New Delhi – 110 055
Tel: 011-42541234/23541234,
Fax: 011-41543474
E-mail: rta@alankit.com
Website: www.alankit.com

www.punjabchemicals.com

Corporate Identity Number
L24231PB1975PLC047063

PUNJAB CHEMICALS AND CROP PROTECTION LTD.

ISO 9001:2015 & ISO 14001:2015 Certified Company

Registered Office

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