



Dhanuka Agritech Limited

AN ISO 9001 : 2015 COMPANY

Online

Date: August 20, 2020

Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G. Block,
Bandra- Kurla Complex,
Bandra East, Mumbai-400 051

The Department of Corporate Services-
Listing
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001
Scrip Code : 507717

Symbol- DHANUKA

Subject: Annual Report under Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Pursuant to Regulation 34(1) of the Listing Regulations, please find enclosed the Annual Report of the Company along with the Notice of the AGM and other Statutory Reports for the Financial Year 2019-20, which is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Depository Participants/Registrar and Transfer Agent.

The same is also available on the website of the Company at www.dhanuka.com.

This is for your information and records.

Thanking you,
Yours Faithfully

For Dhanuka Agritech Limited

Jitin Sadana

Jitin Sadana
Company Secretary/ Compliance Officer
FCS-7612



Encl: a/a



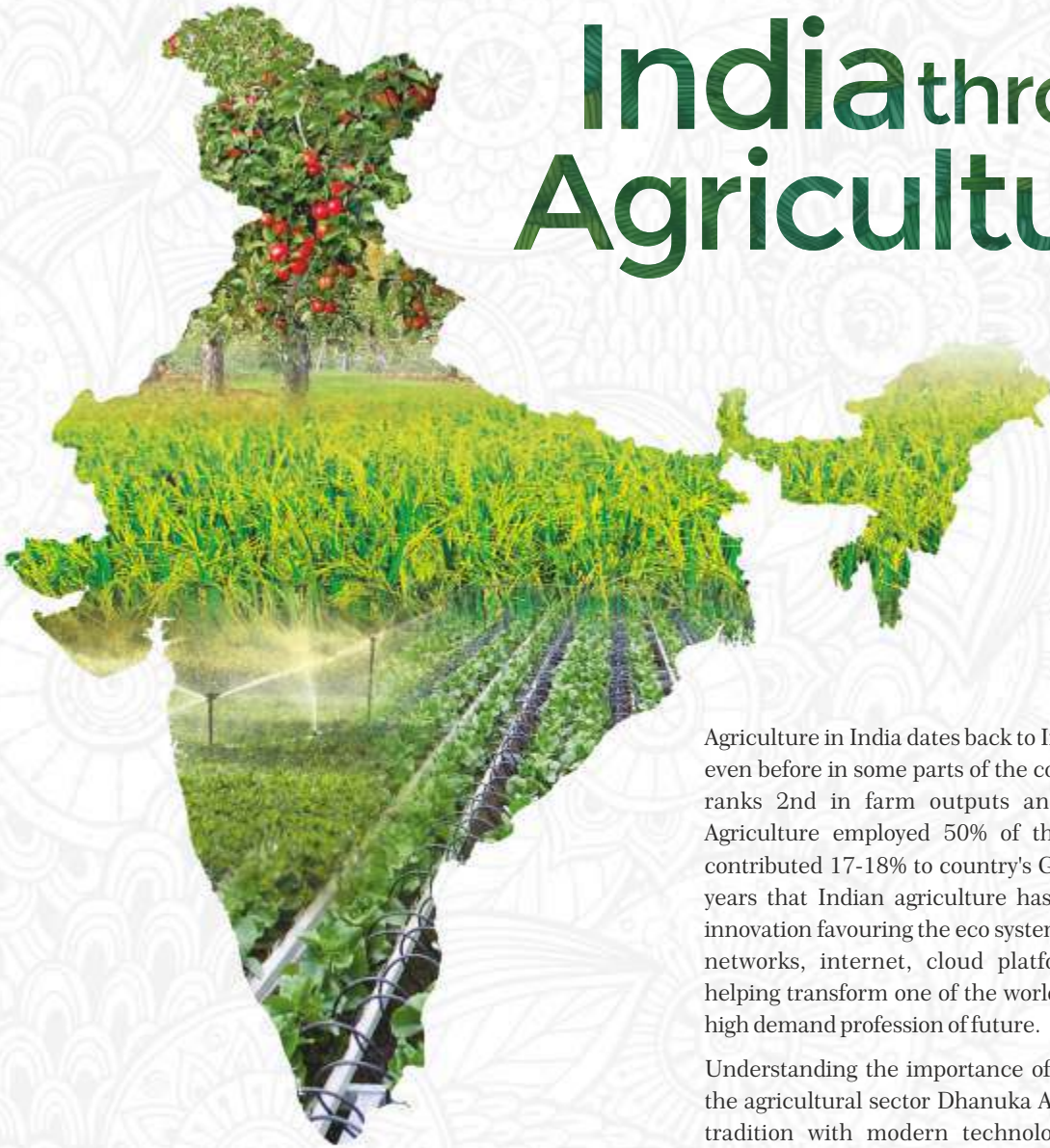
Dhanuka Agritech Limited

TRANSFORMING INDIA Through **Agriculture**



35th Annual Report 2019-20

Transforming India through Agriculture



Agriculture in India dates back to Indus Valley Civilization and even before in some parts of the country. Today, globally India ranks 2nd in farm outputs and as per recent reports, Agriculture employed 50% of the Indian work force and contributed 17-18% to country's GDP. It is evident in last few years that Indian agriculture has seen boom due to digital innovation favouring the eco system. The absorption of mobile networks, internet, cloud platforms, Automation etc. is helping transform one of the world's oldest occupation into a high demand profession of future.

Understanding the importance of developing and reforming the agricultural sector Dhanuka Agritech Ltd. is merging the tradition with modern technology for strengthening the backbone of Indian economy. Dhanuka Agritech Limited with more than 150 registrations including Herbicides, Insecticides, Fungicides and Plant Growth Regulators /Bio-Stimulants and with over 350 active SKUs has one of the most extensive market penetration in Agrochemical Industry. The Company has solutions for all major crops grown in the country including cotton, paddy, wheat, sugarcane, pulses, fruits & vegetables, plantation crops and others. The Company's impetus is on marketing quality and eco-friendly chemistry which comply with ICM/IPM, and is safe for humans and flora & fauna. Dhanuka has also developed several Public-Private and Private-Private partnerships for agricultural extension projects which are accelerating the transfer of improved agriculture technology to the Indian farming community.

Content

02

Financial Highlights

04

Going Beyond
the Borders

05

Contact Information

06

Reflection from
the Chairman

08

Message from
Managing Director

09

Message from
Director Marketing

10

Corporate Social
Responsibilities

11

New Product Launch

12

Awards & Accolades

13

Dhanuka Innovative
Agriculture Awards
(DIAA)

15

Marketing and
Other Initiatives

17

Management
Discussion and Analysis

24

Directors' Report

49

Report on
Corporate Governance

81

Financial Statements

193

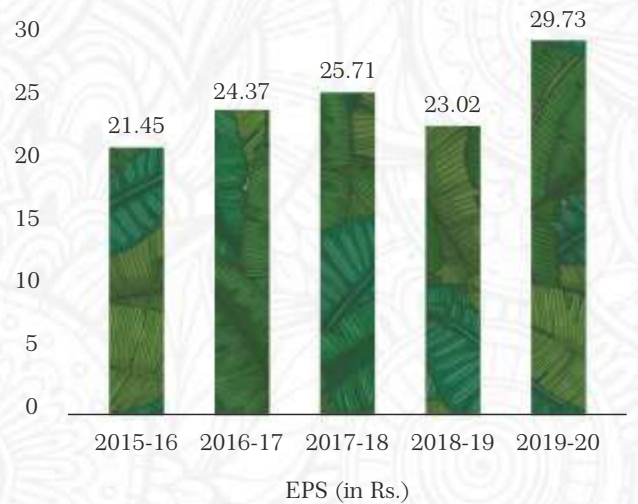
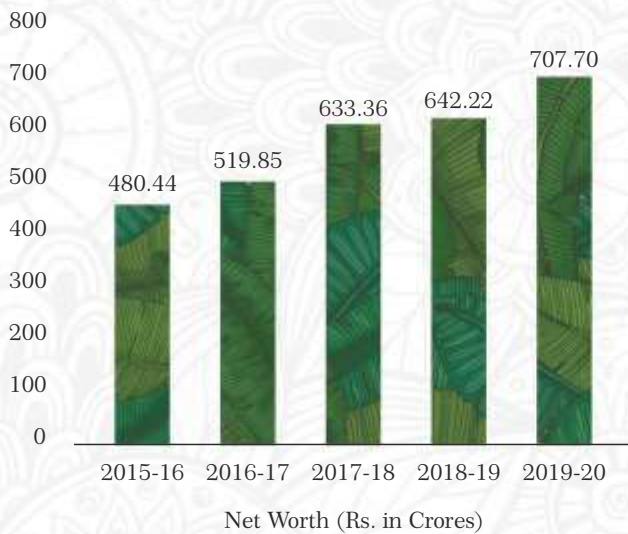
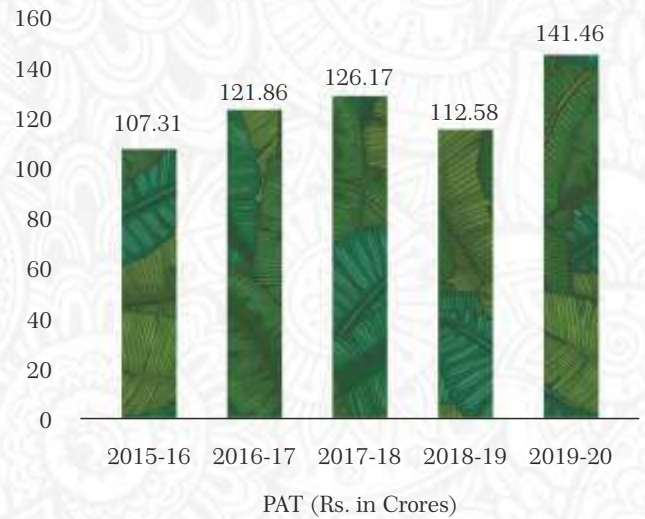
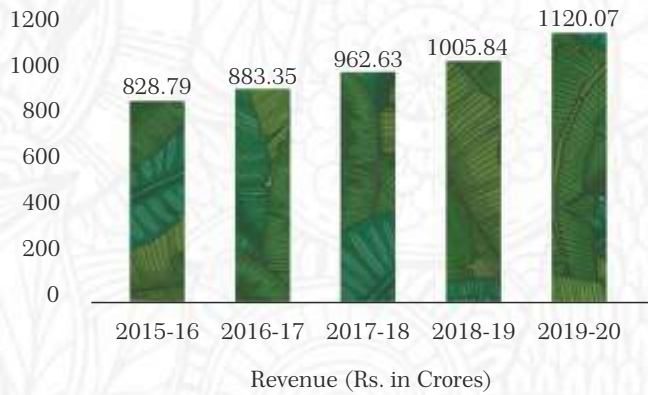
Notice to the Members

Financial Highlights



Year	Revenue (Rs. in Crores)	PAT (Rs. in Crores)	Net Worth (Rs. in Crores)	EPS (in Rs.)	EBIDTA (Rs. in Crores)	EBIDTA Margin	PAT Margin
2015-16	828.79	107.31	480.44	21.45	152.35	18.38	12.95
2016-17	883.35	121.86	519.85	24.37	187.38	21.21	13.80
2017-18	962.63	126.17	633.36	25.71	182.09	18.92	13.11
2018-19	1005.84	112.58	642.22	23.02	167.20	16.62	11.19
2019-20	1120.07	141.46	707.70	29.73	198.56	17.73	12.63

Note: All above figures are based on Audited Standalone Financial.



Notes :

1. Revenue from Operations (Net of Excise) increased by 11.36% from 1,00,5.84 Crores in 2018-19 to 1,120.07 Crores in 2019-20.
2. Profit before tax increased by 17.34% from 153.95 Crores in 2018-19 to 180.64 Crores in 2019-20.
3. Operating Profit before tax increased by 17.56 % from 133.64 Crores in 2018-19 to 157.11 Crores in 2019-20.
4. Net profit Increased by 25.66% from 112.58 Crores in 2018-19 to 141.47 Crores in 2019-20.
5. The Company reported an EPS of Rs. 29.73 in 2019-20 compared to Rs. 23.02 in 2018-19.

Note : All above figures are based on Standalone Financial.

Going Beyond the Borders

Dhanuka's aspiration of "Transforming India through Agriculture" warrants the use of best technologies from across the globe, to be adopted by the Indian farming community. Dhanuka being the architect of this dream, seek new opportunities, new solutions and drives beyond the borders. The Company has collaborated with the best technology providers in the world to bring quality solutions to India's farmlands.



Strategic Partnerships



Contact Information

Board of Directors

Mr. Ram Gopal Agarwal, Chairman
Mr. Mahendra Kumar Dhanuka, Managing Director
Mr. Arun Kumar Dhanuka, Executive Director
Mr. Rahul Dhanuka, Executive Director
Mr. Mridul Dhanuka, Non-executive Director
Mr. Harsh Dhanuka, Executive Director
Mr. Ashish Saraf, Executive Director
Mr. Sachin Kumar Bhartiya, Independent Director
Mr. Priya Brat, Independent Director
Mr. Vinod Kumar Jain, Independent Director
Mr. Sanjay Saxena, Independent Director
Ms. Namrata Gupta, Independent Director
Mr. Bajrang Lal Bajaj, Independent Director
Mr. Siraj Azmat Chaudhry, Independent Director

President & Chief Financial Officer

Mr. Vinod Kumar Bansal
14th Floor, Building 5A, DLF Epitome, Cyber City,
DLF Phase III, Gurugram-122002, Haryana
Phone Nos.: (0124) 3838500

Company Secretary & Compliance Officer

Mr. Jitin Sadana
14th Floor, Building 5A, DLF Epitome, Cyber City,
DLF Phase III, Gurugram-122002, Haryana
Phone Nos.: (0124) 3838500
E-mail: investors@dhanuka.com

Internal Auditors

Manoj Ritu & Associate
Chartered Accountants
322, Vardhman Diamond Plaza
Motia Khan, New Delhi - 110055

Cost Auditors

M/s. S. Chander & Associates
Cost Accountants
2nd 212, II Floor, Sarai Pipal Thala, G.T.
Karnal Road, Azadpur, Delhi – 110033

Statutory Auditors

M/s. S.S. Kothari Mehta & Co.
Chartered Accountants
Plot No - 68, First Floor, Phase -3,
Okhla Industrial Area, New Delhi - 110020

Secretarial Auditors

M/s. R&D
Company Secretaries
785, Pocket E, Mayur Vihar II, New Delhi - 110091

Registrar and Transfer Agents

M/s. Abhipra Capital Limited
Abhipra Complex, A-387, Dilkhush Industrial Area,
G.T. Karnal Road, Azadpur, Delhi - 110033
Phone Nos. : (011) 42390909/708/783
E-mail : info@abhipra.com, rta@abhipra.com
Website : www.abhipra.com

Bankers

The Hongkong & Shanghai
Banking Corporation Limited
HDFC Bank Limited

Listing

BSE Ltd.
National Stock Exchange of India Limited

Reflection from the Chairman

It is my great privilege and honour to write to you as the Chairman of the Board of Dhanuka Agritech Limited. I would like to share my views on the Indian agricultural sector and the critical role played by Dhanuka to enhance livelihood of farmers.

Reflecting on 2019, it was a year of hits and misses for India's agrarian economy. Gross value added by the agriculture and allied sectors stood at approximately Rs.18.55 lac crores in 2019-20, a growth of 2.7% over the previous year. Despite the sectoral slowdown in 2019 after a brief period of improvement, Indian agriculture is on the cusp of major growth. Total food grain production was higher in 2019-20, estimated at 291.95 million tonnes. Food Corporation of India reported the highest food grain stock in 2019 compared to the previous four years. It is anticipated that next year's food stock will even exceed the previous year's record. Indian cotton prices were competitive globally in 2019-20 and the global consumption of cotton is projected to recover going forward.

The outbreak of COVID-19 pandemic came at a time when Indian agriculture was showing signs of revival after a long streak of monsoon deficit and crop failures. The crisis caused by COVID-19 led to the imposing of a nationwide lockdown by the Government of India. This temporarily impacted consumer demand and supply chain across the country. To provide relief against the economic impact of COVID-19, the Prime Minister of India announced a stimulus package "Atmanirbhar Bharat" worth approximately Rs. 20 lac crores to ensure the upkeep of the Indian economy.

Micro, Small, and Medium Enterprises, which employs over 11 crore people and form the backbone of our economy, were the first to receive relief measures. The lockdown resulted in a reverse migration of labourers from big cities to rural areas. To ensure their livelihood, Garib Kalyan Rozgar Yojana was announced to offer them employment with a major focus on districts which recorded the highest migration. The third set of relief measures was announced towards agriculture and allied sectors to strengthen the rural economy. Proactive measures taken by the government will ensure sustained development of agriculture and allied sectors and other small and medium businesses.

Despite the challenges presented by COVID-19 to economic activities in India, I am very pleased to inform you that the agrochemical industry has witnessed record sales in recent months in anticipation of good monsoon season and higher crop cultivation. Agriculture is one of the brighter spots in the Indian Economy with the potential to deliver strong growth despite obstacles posed by the nationwide lockdown.

It is very encouraging to see that there has been a renewed focus on development goals in agriculture. There is a big thrust towards driving digital innovations to improve farm yields and bring more efficiencies in the sector. Improvement in overall infrastructure, supply chain, logistics and distribution through digital initiatives will reap significant benefits to the entire farm ecosystem in the long run. Also, initiatives by the government to encourage direct selling and the industry's efforts to look at online retailing as a part of broader digital initiatives are key triggers for long term sustainable development of the agriculture sector.

It is equally important for us to prioritize our natural resources while we drive growth initiatives. The industry has consciously taken efforts towards optimum utilization of water and using advanced techniques such as drip irrigation to encourage sustainable farming practices. To summarise, the favourable monsoon season should result in a strong harvest season for the Kharif crop and it will certainly be a huge boost for the Indian Economy.

I wish to reassure you that, we at Dhanuka, are fully committed towards serving the Indian farmer. Being India's leading Agrochemical Company, we are at the forefront of introducing digital solutions and innovations, streamlining policies, and collaborating with ingenious entities to boost integration of technology across business segments.

On 22nd March 2020, we continued with our annual tradition of celebrating World Water Day which we started a decade ago through our successful digital media campaign "har boond keemti hai". We continue to walk the same path with the government to achieve India's aspiration of doubling farmers' income by 2022-23. We consider ourselves responsible towards securing the farmer's welfare and preserving the food security of the nation. We continue to strengthen our association with the farmer producer organisations (FPOs), Krishi Vigyan Kendras (KVKs) and other critical institutions to increase our business expertise and boost our market presence. With well-designed strategies, programs, resources, crop solutions and the introduction of the latest molecules and technologies, we are well poised to achieve the objective of "Transforming India through Agriculture". Inspired by this vision, our long-term value and delight creation strategy remains intact.

With our constant endeavor towards achieving excellence, we continue to demonstrate our ability to overcome challenges and emerge stronger despite challenges and uncertain business environment. Your Company continues its strong legacy of providing world-class crop solutions, best in class digital innovations and superior supply chain management. We have a strong belief in our efforts towards achieving long term goals for the Company and express deep gratitude to all our stakeholders while we improve the lives of farmers.

R.G. Agarwal
Group Chairman



Managing Director

I would like to share my perspective on the landscape of the Indian agriculture sector and the key strategic initiatives of Dhanuka Agritech. As you all are aware, agriculture employs nearly half of the total workforce in India. We have witnessed a steady rise in the production of key crops such as wheat, rice, pulses, sugarcane, and cotton. Rice and wheat, being two of the most dominant crops in terms of market share, contributed 117.47 million tonnes and 106.21 million tonnes, respectively. Total pulse production was estimated at 23.02 million tonnes in 2019-20 which was higher than the five year average of 20.26 million tonnes. All these factors translated into a promising scenario for the entire agriculture industry in the current financial year.

The outbreak of COVID-19 brought about a minor blip in the much-anticipated recovery from the subdued crop prices. Despite the nationwide lockdown imposed towards the end of March this year, agriculture and allied sectors were exempted from major restrictions being part of essential activities. The harvest season of crops planted in the winter season in North and Central India such as wheat, lentils, pulses, and oilseeds coincided with the lockdown. We have witnessed a record harvest this year after a very favorable monsoon season.

Despite the challenges which many states encountered due to labour shortage in the times of COVID-19 pandemic, the farmers of Punjab set a great example to the rest of the country by using direct-seeded rice (DSR) method of crop establishment. DSR practice in paddy and maize cultivation helped tackle labour shortage and saved

groundwater. Further, the 50% subsidy announced by the government on farm machinery helped farmers save money.

At Dhanuka, we encourage innovation and digitally-enabled practices for improving farm productivity. Our best in class platform helped in reducing inventory loss, smooth fund transfers and matched demand and supply effectively which immensely benefited the entire value chain. Automated order processing and robust digital infrastructure ensured the timely delivery of crop solutions to our end customers. We consciously take efforts to make sure the farmers are prudent and punctual in using our solutions so that they benefit monetarily from higher yields.

India recently witnessed the worst locust swarm attack in 27 years, which affected close to 90,000 hectares of farmland in 20 districts of Rajasthan. Favorable rain-bearing winds brought them towards India. Being an integral part of the agrochemical industry, it is our responsibility to tackle this rapidly growing swarm before it adversely impacts the agriculture sector. We, at Dhanuka, have the most effective solutions to control the outbreak of locust. Our locust controlling crop solutions if applied judiciously through ultra-low volume (ULV) sprayer will reap substantial benefits to farmers.

Another cause of concern for farmers has been the fall armyworm infestation which has been a major threat to our farmland. We have taken Suraksha Sankalp to protect India's arable land from the fall armyworm. We have listed molecules in our portfolio which are effective against the fall armyworm and provide extensive crop solutions for countless pest/disease-related problems given very promising results. During the kharif season, we continue to build awareness through our vast experience and extend support through our valuable services to promote our crop solutions.

A positive outlook for the monsoon this year is a very promising sign for the Indian economy. We are very hopeful that the agriculture sector will remain unharmed in FY2021 despite the impact of the COVID-19 pandemic. Favorable rainfall in Central India has led to a big surge in sowing patterns. Paddy is up 39%, oilseed plantations have grown over three times, cultivation of pulses has quadrupled, and soyabean has increased over five times since last year. These are very encouraging signs and we are on the verge of witnessing one of the best seasons in recent history for our agrarian economy. Dhanuka is well geared to offer integrated crop management solutions which help in attaining higher crop yields which boosts farmers' income. We are focused on effectively expanding our market coverage, ensuring the availability of our solutions across touchpoints, and offering our best products and services. I reassure our shareholders that we are committed to the task of transforming the landscape of agriculture in India and will play an integral role in rewriting the future of a better and new India.

M. K. Dhanuka
(Managing Director)

Director Marketing

Indian agriculture has transformed into a thriving industry which is more robust and structurally different since its incubation from green revolution era. Today, this sector is supported by better infrastructure including roads, energy, water and technology, boosting industry's and associated community's confidence. Over the years, the focus has shifted to global reach by increasing farm exports from traditionally confined rise in production. Agriculture has established its importance as a commercial enterprise not only within the country but also by achieving potential export milestone. Marked by the rise in agriculture commodities and processed food, the obligatory lift from agricultural exports is very much desirable & possible. Similarly, this year's rise in food grain production from last couple of year's slowdown shows the emphasis given to the sector.

The role of agriculture is crucial to recover from the COVID-19 crisis, and shape the country's economy. The crisis has proven that digital innovation and technology driven infrastructure is the future for agriculture. Technology infused supply chain management and other value chains will create a new integrated service system for pre and post-harvest industry. Commercializing and incentivising these innovations to boost the conventional business should be our top priority. Dhanuka is aligned with one of the major policy initiatives of the Government, doubling farmers' incomes by 2022-23, for agricultural reform. The agrarian distress in the last decades calls out for this reform. At Dhanuka, we are expanding our reach through digital mediums and well equipped experiential science. We are exploring vital business operations to serve our channel & customers through technically integrated crop management.

For the development of small & marginal agriculture community, the initiative of Farmer Producer Organizations (FPO's) is a quantum leap towards the accumulation of industry. The current FPO structure is in need of support services to enable them to secure

business penetration and market linkages. We are continuously building & strengthening our association with FPOs & allied institutions through our committed leads. We have also founded many promotional campaigning strategies pacing up with the current trend while creating a niche for ourselves in the market. We always work for innovation and come up with solutions to problems that might pose a challenge or a threat in the near future. We work for farmers, to make their lives better by preventing and treating damages. We believe in an all-round development where all our stakeholders grow together starting from our employees to channels and finally our customers.

Rahul Dhanuka
Director (Marketing)

Corporate Social Responsibilities

2019-20 by Dhanuka

Strengthening community development initiatives have remained prime focus since inception of Dhanuka Agritech Ltd. The responsibility of giving back to the society has driven us to emphasize on initiatives that create value in the community. Standing and contributing in nation's vision we have aligned activities with country's priorities such as Education, Water Conservation, Healthcare, Environment, Food and Nutrition etc. and is structured around multiple thematic areas for holistic development of communities. Today, Dhanuka Agritech Ltd. has nurtured acultural trait amongst its employees for engaging in such social development works which are undertaken by the company on time to time basis.

SAVE WATER

"A whole lot of people doing a little bit add up to a whole lot". Every person on earth needs water to survive. Since our life depends on water, it is our responsibility to learn about Water Conservation and how to keep water pure and safe for generations to come.

Under the flagship of "*Khet ka pani khet mei, aur gaon ka pani gaon mei*", the Company continues to take numerous steps across the country in promoting Water conservation practices in people's daily life.

Construction of Check Dams

Dhanuka has renovated an old village pond in Rajasthan and constructed 6 (Six) check dams in villages Jugalpura, Devipura (District Sikar), Mainpura ki Dhani, Sankotra (District Jaipur), one in Gonedala (District kotputli) and one at Malpura (Keshwana) which are now operational and full after rain. The water management activities are benefiting approximately 3750 households having a population of over 24000.



New Product Launch



Mycore : Mycore is an Arbuscular Mycorrhizal Fungi (AMF) having endo mycorrhizal spores in granular formulation. It enhances surface area of roots and facilitates increased absorption of soil nutrients and water, ultimately helps the crop to be vigorous, to be resistant against physical and biological stress. Eventually increasing the yield and productivity of the crop. Mycore has huge opportunity in multiple crops including cereal crops and vegetables. It is a great addition in our portfolio to increase our presence over the emerging Biological product segments.

Zapac : Zapac is a systemic and contact insecticide formulated by mixing two most trusted molecules. It gives long-lasting and effective protection against broad range of pests. It has a better rain fastness and gives lush green leaves. Zapac benefits more branches and flower initiation.

Pro-rin: The Company has re-launched, Pro-rin a broad spectrum insecticide. Pro-rin has stomach and contact action. It is formulated as an emulsifiable concentrate containing profenofos active ingredient 40%, Cypermethrin active ingredient by 4% by mass and balance adjuvant. It is used to control bollworms of cotton and Kills insects on lower and upper surface of leaves due to penetrating action.

Prodhan : The Company has re-launched, Prodhan a broad spectrum insecticide. It is used to control bollworms, jassids, aphid, thrips and white flies in cotton. It has strong contact and stomach action. It has excellent translaminar action, when sprayed on the upper surface of leaf, it immediately percolates down to lower surface of the leaf. It is absorbed readily in plant cells thus not affected by rainfall.

Largo belongs to the Spinosyn class of insect management tools which is naturalists in origin. Largo Contains Spinetoram 11.7% SC as an active ingredient. Largo is derived from the fermentation of *Saccharopolyspora Spinosa* (a common soil bacterium) and is then chemically modified. Largo provides broad-spectrum insect control like Thrips & Lepidopteran, with excellent residual activity on variety of crops. Spinetoram has a unique mode of action, no other group of insecticide acts on this particular site of nervous system. The active ingredient in Largo does not interact with the known binding sites of other classes of insecticide.

Chempa (Pyrazosulfuron-Ethyl 70% WDG) is a broad spectrum herbicide for paddy, which effectively controls major broadleaf Weeds, Sedges and Grassy Weeds. It is a pre and early post emergence Herbicide which gives longer duration of control by inhibiting shoot growth and killing the weeds. It inhibits the catalysis of Acetolactate Synthase (ALS) in the biosynthesis of Valine, Leucine & Isoleucine and stops cell division of roots and kills weeds.

Apply (Pymetrozine 50% WG) has the best known chemistry for effective control on BPH. It is a systemic and translaminar insecticide which paralyzes the hoppers, stops egg-laying and get the insects killed from starvation. Immediate crop protection through permanent inhibition of the feeding system. It paralyzes hind legs of pests which results into its drop from plants which later makes it dead out of starvation. It checks next generation growth by blocking egg-laying of pests.

Awards & Accolades

2019 Hurun India Industry Achievement Award



Dhanuka Agritech Ltd was felicitated by “**HURUN INDIA INDUSTRY ACHIEVEMENT AWARD**” on 4-Dec-2019 for outstanding achievement in the Agriculture sector. Mr. M.K. Dhanuka, Managing Director of Dhanuka Agritech Ltd received the award.

100 Best CFO Award

Mr. V.K. Bansal, Chief Financial Officer of the Company was conferred the award “**100 BEST CFO**” on 22nd November, 2019, at Mumbai.



National Best Employer Brands 2019



Dhanuka Agritech Ltd has been recognized as “**NATIONAL BEST EMPLOYER BRANDS**” for the year 2019-20 at the 14th Employer Branding Awards organized by EMPLOYER BRANDING INSTITUTE. Dhanuka is constantly working towards innovative HR practices for building a performance-oriented culture by engaging and empowering their employees. Dhanuka is committed to developing a motivating work environment for all based on POSITIVE EMPLOYEE CONNECT thus generating TRUST, PRIDE & SENSE OF COMMITTEMENT.

Dhanuka Innovative Agriculture Awards (DIAA)

Dhanuka Innovative Agriculture Awards (DIAA)

Farming ranks high in our list of the admired profession as farmers contribution goes far beyond their farms, crops and livestock. We are proud of our farmers, as they made our country 2nd in World Agriculture GDP by putting their sweat and unstinted hard work in farming. But very few steps have been taken to recognize the hard, strenuous efforts of the Farmers. Dhanuka Agritech Limited took an initiative to honor the hard work of the farming community by initiating the first edition of "DHANUKA INNOVATIVE AGRICULTURE AWARDS (DIAA)" on 9th, January 2020, which was organized at C. Subramaniam Auditorium, NASC Complex, New Delhi.



The program was graced by **Shri. Gajendra Singh Shekhawat**, (Union Cabinet Minister, Ministry of Jal Shakti) and **Shri. Kailash Choudhary**, (Union Minister of State, MOA & FW, GOI).



It was attended by nearly 1200 participants including Farmers, Agricultural Scientists from ICAR, Universities, Krishi Vigyan Kendras, Agri-input Distributors & Dealers, eminent Officials, Technocrats, Corporates, Policymakers, Media and Students of Agricultural Sciences from all over the country.



Award Distribution

74 awards were given in various categories to the Farmers, Dealers & Distributors, Institutions like Krishi Vigyan Kendras, ICAR and Agriculture University. Out of the total 74 awards, 31 received First Prize to the sum total of 16,25,000. 24 awards were given for Second Prize and 19 for Third Prize.

One farmer received 'Farmer of the Year Award' at National level with a cash prize of Rs.1,00,000 for outstanding contribution in Agriculture.



The program got wider media coverage in many publications across the country. The Mega Event was aired on ABP News channel on 18th and 19th January, 2020.



Interactive Session on “How Agriculture Can Support in Making India A \$5 Trillion Economy?”

Dhanuka organized an interactive session on, “**How Agriculture can support in making India a \$5 Trillion Economy**” on 8th January 2020 at Hotel Le Meridien, New Delhi. Hon'ble Prof. Ramesh Chand, Member of NITI Aayog, GOI graced the interactive session as the Chief Guest. The session was presided over by Shri. R.G. Agarwal, Group Chairman, Dhanuka Agritech Ltd. The session also marked presence of many eminent personalities from the Agriculture sector including Scientists, Bureaucrats, Government Officials, etc. who exchanged knowledge and gave insights on Agriculture's role on supporting Indian economy.

Marketing and Other Initiatives

Marketing

Suraksha Sankalp – Fight against Fall Armyworm

In 2018, a new devastating pest Fall Armyworm invaded in India. It was first reported in Karnataka in Maize crop and within 2 years it had spread to 16 states. To reduce the huge economic potential loss of Maize growers, in the year 2019, an initiative Suraksha Sankalp was launched. Dhanuka worked extensively to create awareness among maize farmers about Fall Armyworm in affected areas. Under this initiative, the Company collaborated with KVKs, Agricultural universities and Agriculture Department officials to offer them complete Fall Armyworm management solution to farmers. The collaboration successfully tuned into huge business prospective for the Company.

Project FPO

Farmer Producer Organizations (FPO) is an initiative by Government of India to uplift the small and marginal farmers with the concept of aggregation. Currently around 5000 FPOs are registered in India and our honorable Prime Minister aims to increase the no. of FPOs to 10,000 by 2025. Dhanuka is actively working towards exploring opportunities through FPOs to obtain business insights and market association.

Virtual Meetings

Since, the beginning of Lockdown all our stakeholders were digitally engaged in social media platforms. The Company seized this opportunity and from April 2020 for the continuity of business functioning, virtual meetings were organized involving channel and farmers. Under different functionalities a total of 185 virtual meetings were conducted which connected a total number of 16071 people.

Digital Media Campaigns

World Water Day - #harboondkeemti hai

The campaign focused on motivating the viewer for saving minimum 1 liter water daily. The engaging content urged to give back water to farmers for a better tomorrow, was well received by Dhanuka's social media followers. Many such campaigns saw positive reach in social media platform and created niche for Dhanuka in digital media.

Kisan Diwas - #thankyoukisan

On occasion of Farmers day celebration, several engaging contents were developed thanking the farmers for their hard work and efforts in feeding the nation. Viewers were asked to share their Thank you Kisan video appreciating and recognizing farmer's determination and struggle. The campaign witnessed good reach in social media platform and created a niche in digital platform.

COVID-19 Regional Booklet campaign for Precautions and Safety

Successfully driven and executed campaigns regional language wise on safety measures to combat the crisis.

Multiple Social Media campaigns - about COVID-19, Safety Measures, Importance and Role played by Farmers and Dealers through official social media page of Dhanuka.

TV Campaign – We had initiated a TV campaign for product Sempra across UP, Haryana and Punjab, Sugarcane and Maize areas for almost 3 months from Feb end to mid-May across TV channels. This had also helped us to show our Sempra promotions during PM Modi's address to Nation on multiple channels 2-3 times during lockdown.

Other Initiatives

Farmer Training Programme

In order to give insight and understanding of utilizing skills and resources needed to expand the farming business, Dhanuka took an initiative to enhance the success of the farmers by providing a training program at Dhawarra, Nowgaon, MP on 21st July, 19, which primarily helped them reap benefits and double their income.



Workshop cum Training Program (Suraksha Sankalp)

Fall Army Worm (FAW), pest invaded India in 2018 and posed a great threat to Indian agriculture, particularly to the Maize farmers. In order to give insight and control the pest, Dhanuka conducted several Workshop cum Training program under the banner of Suraksha Sankalp at Central Agricultural University, Imphal on 5th July, 2019, Anand Agricultural University, Gujarat on 9th July, 2019, and at Uttar Banga Krishi Vishwavidyalaya, Cooch Behar, West Bengal on 18th July, 2019 and trained the KVK staff and farmers on the need to scout their Maize crop daily and control the pest effectively.

Diploma in Agriculture Extension Services for Agri-input Dealers

For a farmer, input dealers are the primary and most reliable source of information on the latest agricultural products and technology. However, majority of these dealers do not have formal Agricultural education. In order to build their technical competency in agriculture and to facilitate them to serve the farmers better, Dhanuka Agritech Limited under Public-Private Partnership (PPP)

with three State Agricultural Universities, Anand Agricultural University, Navsari Agricultural University and Junagadh Agricultural University, launched one-year Diploma in Agricultural Extension Services for Input Dealers (DAESI) Program by meeting 50% of fee (Rs. 10,000 per trainee).



On the same lines 80 dealers attended DAESI batch of Nandyal and Gooty under Project Director, ATMA Kurnool, Anantapur, AP. On this occasion, Dhanuka launched a book named as “**Dhanuka Plant Protection Guide**” (in local language Telugu).

Conference on “Role of Agrochemicals in Sustainable Farming”



Dhanuka Agritech Ltd participated in Conference on “**Role of Agrochemicals in Sustainable Farming**” organized by Federation of Indian Chambers of Commerce and Industry (FICCI) on 16-July-2019 at Delhi. The event was marked by discussion on reduction in timelines for registration for new molecules, protection of regulatory data (PRD) and implementation of international best practices. Your Group Chairman Shri R.G. Agarwal shared his views on Crop protection and the need to use good quality pesticides by farmers.

Management Discussion and Analysis

Economic Overview

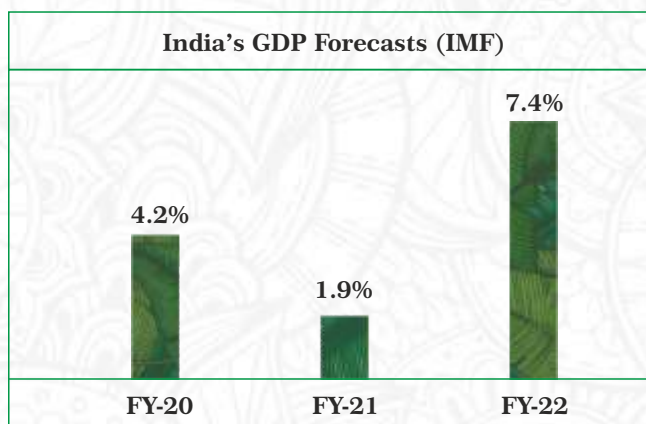
Being the third largest economy in the world in terms of purchasing power parity, India has an ambitious mission to improve living conditions across the under privileged section of the society and become a high middle-income Country by 2030. More than 90 million people came out of poverty and improved their living conditions during 2011-15 period backed by resilient economic growth. In the recent years, however, India has experienced a decline in the growth rates. The Country is home to over 176 million impoverished people and there is an increasing thrust to encourage inclusion which is evident by government's emphasis on reforming policies to transform the rural landscape, fast track infrastructure development, achieve financial inclusion and develop human capital.

Although India has steadily achieved economic growth, often the development has not been uniform across the society. Major structural reforms in indirect taxes, distress in rural economy and rising unemployment in urban areas have slowed down India's journey towards poverty eradication since 2015. Despite improvement in regulatory landscape, private investments and exports remain subdued during this period. India scores low on key parameters such as education outcomes and female labour participation which highlights its substantial development needs. India's progress is key for achieving world's objective of eliminating poverty and fostering shared prosperity and achieving UN' Sustainable Development Goals (SDGs) by 2030.

The latest challenge of Coronavirus pandemic arrived when India's economy was already facing challenging times. The extreme impact on economic activities caused by the outbreak of COVID-19 has overhauled the emerging trend in recovery of the Indian economy. As per the International Monetary Fund (IMF), India's FY2020 GDP growth rates expected to be 4.2% as against 5.0% estimated by India's statistical department. IMF trimmed its FY2021 GDP growth estimate to

1.9% from 5.8% projected in January 2020, factoring in the impact of the 'Great Lockdown' to tackle COVID-19 outbreak.

However, the IMF estimates a sharp recovery in economic activity in FY2022 at 7.4%.



Source: IMF and World Bank

AGRICULTURE SECTOR IN INDIA

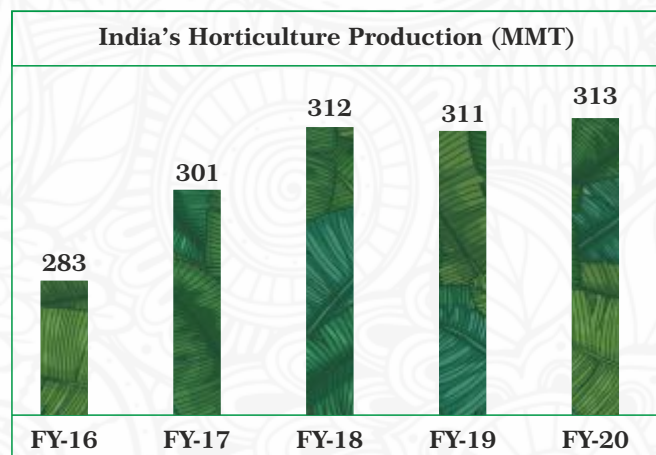
Demand and changing income levels

58% of India's population depends on the Agriculture Sector as a source of primary income and consumer spending is forecasted to reach US\$ 3.6 trillion by 2020. Demand for processed foods and agricultural products have increased with rising urban and rural incomes, urbanisation, young population and healthier lifestyles. There has been a general shift towards convenience foods, organic and diet foods and from carbohydrates to meat products.

Global Advantage

Favourable climate, large agriculture sector, livestock base, coastline and water resources have all been beneficial to India.

Lower cost of production compared to its competitors has also proved to be a bonus. Packaged food industry in India is expected to become the third largest in the world with US\$ 65 million by 2020. India is the largest producer of spices, pulses, milk, tea, cashew and jute the second largest producer of wheat, rice, fruits, vegetables, sugarcane, cotton and oil seeds; and the fourth largest producer of agrochemicals. India has the tenth largest arable land and possesses 46 of the 60 soil types globally. Food grain production is estimated to reach a record 291.95 million tonnes (MT) during the 2019-20 crop year. Growth in gross value added (GVA) by agriculture and the allied sectors stood at 3.7% in 2019-20.



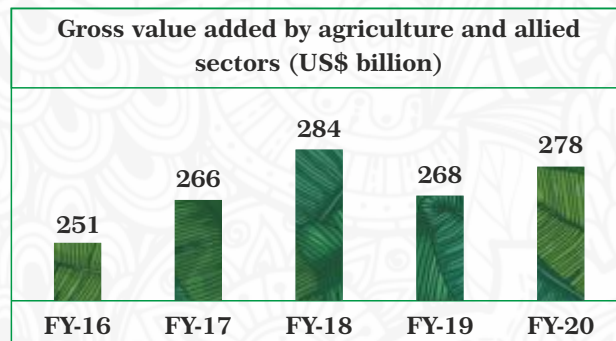
Food Grains and Commercial Crops Production (MT)

Crop	2017-18	2018-19	2019-20
Rice	112.76	116.48	117.47
Wheat	99.87	103.67	106.21
Total Cereals	259.6	263.14	268.93
Total Pulses	25.42	22.08	23.02
Total Food Grains	285.01	285.21	291.95
Total Oilseeds	31.45	31.52	34.18
Sugarcane	379.9	405.41	353.84
Cotton (million bales of 170kg each)	32.8	28.04	34.89
Jute & Metsa (million bales of 180kg each)	10.03	9.82	9.81

Source: IBEF

Agriculture and Allied Sectors Growth

GVA of the agriculture and allied sectors grew at a CAGR of 4.7% between FY2016-2020 (at constant 2011-12 prices). Agriculture, forestry, and fishing sector grew 3.7% in FY2019 while the GVA was estimated at Rs. 18.72 trillion in FY2019. The Ministry of Agriculture was allocated Rs. 2.83 Lakh Crores as per the Union Budget 2020-21.



Source: IBEF Note: FY2019 as per 1st revised estimate; FY2020 as per 2nd advance estimate, at constant 2011-12 prices

Indian Agrochemical Sector

India's Agrochemical Sector has undergone multiple structural changes in recent years driven by rising domestic demand, positive regulatory changes, constrained supply from China, significant growth opportunities presented by products going off patent and opportunities to collaborate with global leaders. Considering over 50% of India's population depends on farming and the sector has seen challenges in the last few years, government's objective is to double farmers' income through higher MSPs for crops, widen irrigation network, improve procurement and provide easy access to credit. Doubling of farm income could lead to increase in agrochemical demand going forward. India is the world's fourth largest producer of agrochemicals after US, China and Japan. The crop protection market has seen a CAGR growth of 11% in the last five (5) years and is estimated at Rs. 395 billion in FY2019. 56% of this demand was for exports. In the same corresponding period, domestic agrochemical market grew at a CAGR of 7.5% while exports grew at a CAGR of 13.5%.

Source: GOI, AMSEC Research

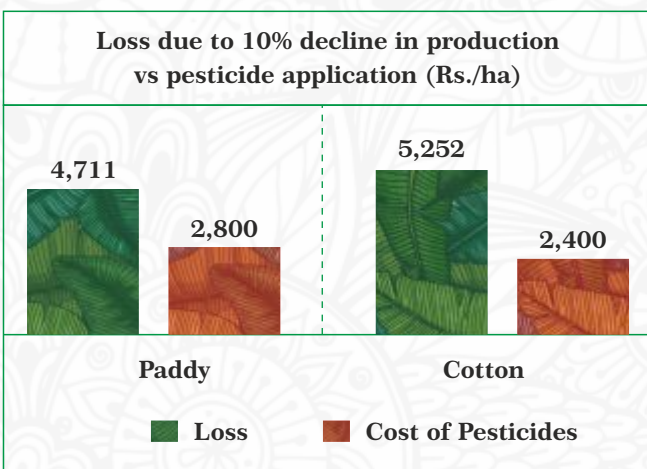
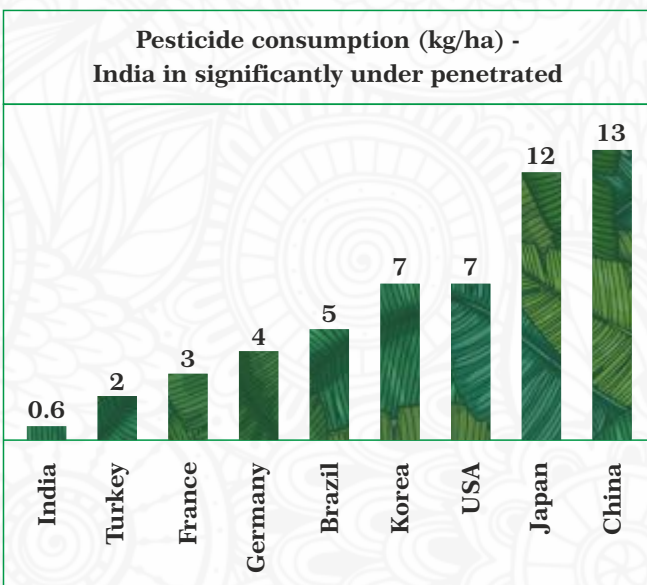
Landscape of Pesticides within the Domestic Market

The Indian market largely comprises of Insecticides which consists of 60% of the overall demand followed by Fungicides at 18% and Herbicides at 16% and other categories comprise the remaining 6%, as per Ministry of Chemical and Petrochemical Statistics. Herbicides as a segment has grown steadily in recent years with changing weather conditions (warmer), rising labour costs and increasing cultivation of rice, soybean and wheat crops. Fungicide has grown relatively slower with increasing cropping areas of rice, fruits and vegetables. Bio Pesticides has not seen significant growth yet, but its usage is likely to accelerate over the longer run as environmental awareness grows and farmers cut down on usage of chemical based Pesticides. Also, potential incentives provided by government to encourage the use of Bio Pesticides will decide the segment's long-term growth trajectory.

Opportunities and Outlook

Low pesticide consumption in India

India's per hectare consumption of pesticides is one of the lowest across the globe and stands at 0.6 kg/ha as against 5-7 kg/ha in the UK and 13 kg/ha in China. Farming community at large has limited understanding of the benefits of pesticides which results in lower consumption in India. There is an opportunity for the government and private players to increase awareness amongst the farming community about the economic gains that arise out of sustained use of pesticides.



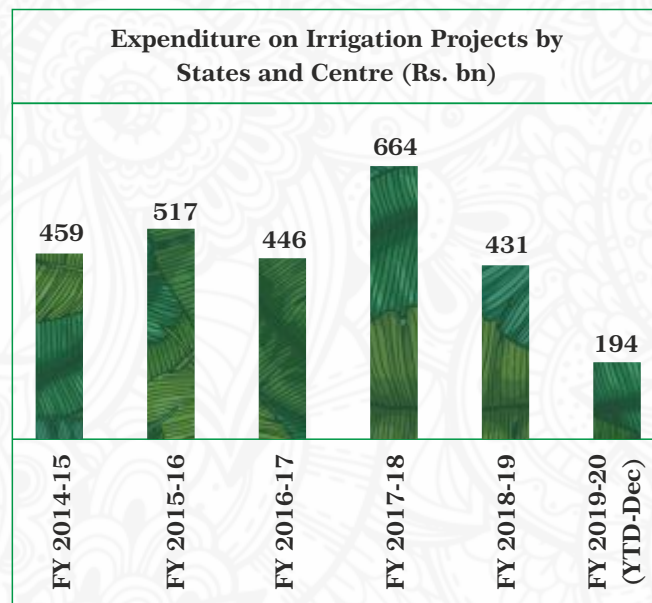
Source: FICCI

It is evident that cost of using pesticides is significantly lower than the potential loss in output. As farmers focus on increasing farm yield, their capital allocation towards crop protection is expected to rise. This will be a key driving force for pesticide consumption.

Increased Spending on Irrigation

As per the last reported data, 53% of the total sown area was

covered under irrigation in India. The central and state governments have initiated various measures to ensure more area comes under coverage. The Central Government has implemented the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) scheme with an allocation of Rs. 500 billions to be spent over Five (5) years from FY2016 to FY2020. Also, allocation by states on irrigation projects has increased as they are the beneficiaries under the PMKSY scheme. As the efforts to increase irrigated land across the Country bears fruit, it will boost crop development and alleviate chances of crop failures due to scarcity of water.



Source: Project Today

India's Dependence on Monsoon

Since only 53% of net cultivated area is irrigated, the remaining area remains dependent on natural rainfall. Rainfall during summer months (June to September) accounts for over 70% of the total rainfall and hence is very critical for the economy. Government authorities have been taking various initiatives to reduce dependence on the monsoon. India received the highest amount of monsoon rain in 2019 since over two decades. Total rainfall recorded on an average was 97 centimetres which was 10% higher than the long-term average. Despite the higher rainfall at a national level, there were deviations on regional basis. Nevertheless, rainfall covered up water requirements in areas which were less irrigated and water levels across reservoirs in the Country were highest in many years.

Pest attacks in India

There has been a growing incidence of harmful pest attacks in India over the decades.

Crop	1940		2019	
	Total Pests	Serious Pests	Total Pests	Serious Pests
Rice	35	10	240	17
Wheat	20	2	100	19
Sugarcane	28	2	240	43
Groundnut	10	4	100	12
Mustard	10	4	38	12
Pulses	35	6	250	34

Source: FICCI

Typically, pests and diseases take away close to 15-25% of food production. It is proven that usage of effective agrochemicals can increase productivity for farmers by 25-50%, hence diminishing losses caused due to pest attacks.

Increase in MSPs for Major Crops

MSP for most major crops has seen a rise of about 30% in the last Six (6) years. Key crops such as paddy and wheat have seen prices increase by 39% and 38%, respectively. The price protection provided to farmers gives them the liberty to invest in modern farming practices.

Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)

The government introduced the PM-KISAN scheme in February 2019 to provide financial assistance of Rs. 6,000 per year in three equal instalments to families of small and marginal farmers with holdings of up to 2 hectares. The total budgetary allocation for the initiative was Rs. 750 billion for FY2020. This scheme is an integral part of the Central Government's aim of doubling farmer income. The government has gone ahead and extended the benefits to all eligible farmers irrespective of size of land holdings. The revised scheme is drafted to cover around 13 Crores beneficiaries with total outlay of Rs. 80,000 Crores for FY2020.

Government Subsidies

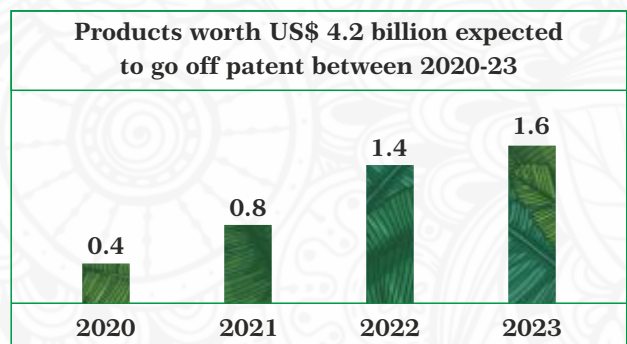
The government provides support to farmers by providing free power, water, interest subvention on loans and discount on premium for crop insurance and has increased allocation across schemes to ensure input cost for farmers is reduced. These developments should support farmer's ability to spend more on pesticides.

Budgetary outlay on Agriculture Scheme (Rs. bn.)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Pradhan Mantri Fasal Bima Yojna	29.8	110.5	94.2	129.8	140.0
Interest subsidy for short term credit to farmers	0.0	134.0	130.5	149.9	180.0
Other welfare scheme- subsidy	0.0	1.0	7.0	45.0	59.0
PM-Kisan	0.0	0.0	0.0	200.0	750.0
Pradhan Mantri Krishi Sinchai Yojana	16.0	20.0	28.0	30.0	35.0
Other centrally sponsored schemes	97.8	101.1	110.6	118.0	125.6

Source: GOI

Generic Players to Benefit in Coming Years

Globally, innovators command close to 70% share in the crop protection market while their main market consists of generics. Within the off-patent market, share of patent products is 20% while generic companies hold the rest. Out of the generic crop-protection market, about 25% is controlled by innovators. This means there are opportunities for generic Companies to garner market share from innovators given their inherent advantages such as low prices and costs, and larger distribution networks. Indian Companies are expanding their distribution networks, creating brands, innovating process technology for post patent molecules, developing better product mix (more combination products, eco-friendly formulations), becoming aggressive about registering post-patent products, and developing relationship with distributors to push volumes at more competitive prices than innovators. Indian farmers are more sensitive towards prices than the ones in other Countries. Therefore, lower-price products offered by generic Companies with a wide distribution network are better placed.



Source: AMSEC Research

There are several key molecules with a Market Size of over US\$200million going off-patent, which will provide a sizeable opportunity for generics players.

Potential for tie up with MNCs in Domestic Market

Indian Companies which partner with leading MNCs in the Agrochemical space earn as much as 50% of the total revenues by marketing the products. Although Indian partners face the risk of termination or change in agreement by their foreign partners, who generally have an upper hand in deals, the Indian market has significant growth opportunities and there is a huge potential for many such collaborations. Leading Indian Companies are expected to gain as large global MNCs look to be part of India's growth story.

Opportunity in Bio-Pesticides and other Biological Products

Growth in organic foods has led to a lot of interest in bio pesticides and other biological products. Although it poses some amount of risk to traditional portfolio of products, it also presents significant potential for Agrochemical Companies. The use of bio pesticides grew over 12% CAGR to 11,531 MT during FY2015 to FY2019.

RISKS AND CONCERNS

Regulatory framework

Globally, the Agrochemical Sector is highly regulated. It can potentially take upto 5 years for Section 9(3) and 9(4) products to get registered and there is a high probability of failure. Also, there is continuous compliance checks which take place and any lapse can severely impact business prospects.

R&D Costs

Over the years, R&D costs have escalated significantly as the regulations have evolved. Typically, Indian companies allocate 1-2% of their revenues on R&D, which is significantly lower than the global average of 8-10%. Indian manufactures lack competitive advantage versus global peers in the global landscape for patented speciality molecules.

Ban on Pesticides

NGOs across the Countries revolt against the use of Agrochemical products citing harmful impact on the environment. Manufactures along with industry representatives time and again provide constructive responses in the scenario of government action. The Committee formed based on Anupam Verma recommendation began its review on 27 pesticides in November 2019 and submitted its findings after consultation with pesticide associations and other stakeholders in May 2020. The draft order proposed bans on 27 pesticides commonly used by farmers. If the ban is not overturned, farmers would be deprived of several effective and affordable products.

Rising Raw Material Costs

The cost and availability of raw materials play a vital role for Companies which are dependent on imports. The industry has faced challenges in recent years due to short supply from China.

COMPANY OVERVIEW

Dhanuka Agritech Limited ("DAL" or the Company) is a leading Agrochemical Company in India. The Company's strength lies in manufacturing formulations. DAL's pan India distribution network consists approximately 7,200 distributors and 75,000 retailers which enables it to have presence across 10 million farmers touch points. Over the years, the Company has built strong strategic partnerships with leading global innovators. The Company has world class NABL Accredited Laboratories and has international collaboration with leading companies of US, Japan and Europe.

The product portfolio is largely distributed across Insecticides, Herbicide, Fungicides and Plant Growth Regulators segment. Insecticides contributes significant portion of the overall revenues and the Company aims to ramp up presence in the fast-growing Herbicides segment. DAL is aggressively working towards the goal of Transforming India through Agriculture by initiatives like doubling farmer's income. The Company's latest innovative sales process guides the farmers effectively on crop solutions through channel partners and a dedicated team. It also Latest technology driven platform ensures smooth reach of products to farmers with readily available stock on demand. Issues like inventory cost, blockage of fund and uncertain demand and supply are being managed by this platform. Automatic orders and IT infused structure are its highlights.

OPERATIONAL OVERVIEW

Dhanuka continues to remain debt-free, due to robust Financial Management. Additionally, it has a healthy Net worth of Rs. 707.70 Crores as on 31st March, 2020. ICRA has accorded (ICRA) AA- rating for fund based limits and (ICRA) A1+ rating for non-fund based limits of the Company (placed under watch with negative implications).

This is a matter of pride that your company has awarded "**NATIONAL BEST EMPLOYER BRAND 2019**" by World HRD Congress on 16th February, 2020.

Mr. Mahendra Kumar Dhanuka, Managing Director of the Company conferred with the award "**MOST RESPECTED ENTREPRENEUR**" by Hurun Report on 4th December, 2019 at St. Regis Hotel, Mumbai.

Mr. V.K. Bansal, CFO of the Company was conferred the award "**100 BEST CFO**" on 22nd November, 2019 at Mumbai.

IMPACT OF COVID 19

In March 2020, the outbreak of COVID-19 pandemic across the world resulted into a global health crisis. It compelled governments across the world to enforce stringent lockdowns which restricted economic activity. The Company was prompt to implement various measures to protect employees, communities and operations to ensure supply chain was not

impacted. DAL also encouraged non-critical operations to work from home and carry out interactions electronically. The Company adheres to social distancing norms across sites and the staff is encouraged to maintain two metres distance from co-workers and other stakeholders who operate in and around the sites. The Company closely engages with suppliers, vendors and distributors to ensure there is a minimal impact on business operations. The pandemic is expected to slowdown overall business activity across key sectors in India. However, since our products fall under the essentials category, your Company do not foresee any major impact to the business due to the corona virus pandemic.

FINANCIAL PERFORMANCE FOR FY2020 (STANDALONE)

- Revenue from Operations increased by 11.36% from ₹ 1,005.83 Crores in FY2019 to ₹ 1,120.07 Crores in FY2020.
- Profit before tax increased by 17.34% from ₹ 153.95 Crores in FY2019 to ₹ 180.64 Crores in FY2020.
- Operating Profit before tax increased by 17.56% from ₹ 133.64 Crores in FY2019 to ₹ 157.11 Crores in FY2020.
- Net profit increased by 25.66% from ₹ 112.58 Crores in FY2019 to ₹ 141.47 Crores in FY2020
- The Company reported an EPS of ₹ 29.73 in FY2020 compared to ₹ 23.02 in FY2019.

SEGMENT PERFORMANCE

Segments	% of FY 2020 Revenue	% of FY 2019 Revenue
Insecticides	43%	43%
Fungicides	15%	15%
Herbicides	31%	29%
Others	11%	13%

KEY FINANCIAL RATIOS

Particulars	FY 2020	FY 2019
Debtor Turnover	21.64%	21.74%
Inventory Turnover	22.31%	20.56%
Interest Coverage Ratio (Times)	117	173
Current Ratio	3.37	3.64
Debt Equity Ratio (Times)	0.01	0.03
Operating Profit Margin	14.03%	13.29%
Net Profit Margin	12.63%	11.19%
Return on Net worth	19.99%	17.53%

Note: All above figures are based on Standalone Financial.

There is no significant change in any of the Key Financial Ratios of the Company in comparison of previous year.

BUSINESS OUTLOOK

DAL follows a rural FMCG model. Relationships with the domestic manufacturers and distributors have helped the Company sustain inventories in the pipeline during the lockdown period in March to May 2020. The Company's product portfolio falls under essential commodities hence no major impact is expected on the business performance in FY2021 due to the outbreak of COVID-19. The Company will work towards engaging with all the participants across the value chain both upstream and downstream to deliver a strong Kharif season and build a solid momentum for the remaining part of FY2021. Expectation of a normal monsoon this year should boost agri inputs. The Company has a strong pipeline of Section 9(3) products which should drive the revenue growth in the coming years.

Material Development in Human Resources / Industrial Relations

Innovation is in the Value system of Dhanuka and we believe in living our values. At Dhanuka we continuously work on bringing innovative HR practices which are designed on principles of Simplification, Standardization, Automation and Analytics. Under these principles of Simplification, Standardization, Automation and Analytics, various initiatives have been taken during Financial Year 2019-20:

- Continuous process improvements based on feedback and inputs from multiple stakeholders, past experiences and industry best practices (Recruitment and Selection, Leave & Attendance Management and Off-boarding) intended towards giving better employee experiences

- Automation has been key focus in last year towards bringing all HR processes on a common HRIS which is simple to understand and user friendly, to increase speed and quality of delivery, reduction in paperwork and more empowerment for things to move on their own.

- Focus on enhanced HR service delivery through introduction of HR Generalist, a single point of contact to each employee.

- Building a Learning organization has been another strong initiative that has been in focus.

Dhanuka Agritech Limited is committed to providing a robust learning platform and at the same time building the capability of its employees. Dhanuka has a dedicated Learning and development team which works in close partnership with the business leadership team, to augment the learning and development requirements of employees and making them future ready. We engage in multiple learning interventions internally and externally and partner with many prestigious institutes like IIM-A, XLRI, etc.

The recognition of “**NATIONAL BEST EMPLOYER BRANDS AWARD 2019**” is another feather in the cap which is a validation of our endeavor and our continuous efforts towards bringing Innovative HR Practices aimed towards building GREAT EMPLOYEE EXPERIENCES at Dhanuka.

The Company had 995 permanent employees at March 31, 2020.

LEARNING AND DEVELOPMENT OF EMPLOYEES

At DAL, employees learning, and development is of utmost importance. The Company has separate dedicated team for learning and development of employees. To enhance employee skills, the Company also provides internal as well as external training to its employees. These programs not only help enhance skills but also workplace productivity. DAL has also been recognized as Great Workplace based upon the assessment conducted by the Great Place to Work Institute, India. The Company has engaged many learning partners, Indian as well as multinational organizations who have helped us by sharing the best practices and helping in developing our employees.

ENVIRONMENT SAFETY, HEALTH AND ENERGY CONSERVATION

Safety at workplaces of paramount importance to the Company. It continuously strives to ensure various training and awareness programmes are conducted throughout the year. Aim is to maintain highest standards of safety across factories and workplace and ensure latest best practices are implemented across the business to bring operational efficiencies and save energy.

STAKEHOLDER ENGAGEMENT

The Company's endeavour is to maintain regular engagement with all its stakeholders to ensure their concerns are addressed and expectations are met. Dynamic processes are in place within the Company to ensure integration of feedback from various stakeholders such as suppliers, customers, employees, and investors on a routine basis. By trusting employees, partnering with suppliers and dealers, and engaging with local communities, we work towards not only serving but also delighting our customers.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

DAL has adequate systems of internal control in place, which is commensurate with its size and the nature of its operations. The Company has designed and put in place adequate Standard Operating Procedure and Limits of authority manuals for conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention and detection of fraud and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. These documents are reviewed and updated on an ongoing basis to improve the internal control systems and operational efficiency. DAL uses a state-of-the art ERP system to record data for accounting and managing information with adequate security procedure and controls. DAL has duly appointed internal auditor as well as the Company has its own in-house internal audit team which keeps checks on every system operating in the Company. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the Company's operations. It brings a systematic, disciplined approach to

evaluate and improve the effectiveness of risk management, control and governance processes.

A CEO and CFO Certificate, forming part of the Corporate Governance Report, confirm the existence and effectiveness of internal controls and reiterate their responsibilities to report deficiencies to the Audit Committee and rectify the same. The Company has appointed M/s. Manoj Ritu & Associates as their internal auditors, which in turn submits quarterly reports to the Audit Committee.

RISK MITIGATION FRAMEWORK

Despite the strong growth drivers, Indian agrochemicals industry faces challenges in terms of low awareness among large number of end users spread across the geography. Managing inventory and distribution costs is a challenge for the industry players in the wake of volatility in the business environment. The performance of the crop protection industry and other Agri-inputs is dependent on monsoons, pest and disease incidences on crops. Agrochemical Companies face issues due to seasonal nature of demand, unpredictability of pest attacks and high dependence on monsoons.

Compliance to growing regulatory norms is a continuing requirement and could lead to delays in obtaining necessary approvals. Changes in guidelines or policies in various geographies may also lead to sudden disruption of business in specified products. Many Agrochemical Companies have foreign exchange exposure either in the form of forex loans or exports and imports. For Companies which operate largely in the domestic arena, any major forex movement may affect profitability due to fluctuating import costs.

While on the one side input costs could increase, weak monsoons could reduce pricing flexibility, thereby affecting margins. To minimize the risk, a comprehensive and integrated risk management framework is followed by the Company.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis contains "**Forward Looking Statements**" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to DAL's future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, several risks, uncertainties, and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. DAL undertakes no obligation to publicly revise any forward-looking statements to reflect future/likely events or circumstances.



DIRECTORS' REPORT

Your Directors are pleased to submit the 35th Annual Report on the Business and Operations of the Company along with its Audited Standalone and Consolidated Financial Statements for the Financial Year (FY) ended 31st March, 2020.

• Financial Highlights

(₹ In Crores)

Particulars	Standalone FY 2019-20	Consolidated FY 2019-20	Standalone FY 2018-19	Consolidated FY 2018-19
Revenue From Operations	1120.07	1120.07	1005.84	1005.84
Other Income	25.09	25.09	21.20	21.20
Total Revenue	1145.16	1145.16	1027.04	1027.04
EBIDTA	198.56	198.45	167.20	167.20
Depreciation	16.36	16.36	12.35	12.35
Finance Cost	1.56	1.56	0.89	0.89
Profit before Tax	180.64	180.53	153.96	153.96
Provision for Taxation	39.17	39.17	41.38	41.38
Profit after Tax (PAT)	141.47	141.35	112.58	112.58
Other Comprehensive Income	(3.72)	(3.72)	(0.51)	(0.51)
Total Comprehensive Income for the Period	137.75	137.63	112.07	112.07
Balance of Profit brought forward from previous years	631.26	631.26	597.85	597.85
Total	769.01	768.89	709.92	709.92
Appropriations				
Dividend on Equity Shares	59.95	59.95	Nil	Nil
Dividend Distribution Tax	12.32	12.32	Nil	Nil
Leases (Ind AS 116) transition effect	Nil	Nil	Nil	Nil
Balance Profit carried forward to balance sheet	696.74	696.62	709.92	709.92

Note: A Wholly Owned Subsidiary M/s. Dhanuka Agri Solutions Private Limited has not yet started its operations.

During the Financial Year 2019-20, as per Standalone Audited Financials, Revenue from Operations was Rs. 1,120.07 Crores, increase by 11.36% from last year. EBITDA was stood at Rs. 198.56 Crores, increased by 18.76% from last year. EBITDA margin improved from 16.28% in FY 2019 to 17.34% in FY 2020.

Profit after Tax was at Rs. 141.47 Crores in FY2019-20, increased by 25.66% as compared to Rs. 112.58 Crores in FY2018-19. PAT margin improved from 11.2% in FY2018-19 to 12.6% in FY2019-20.

Financial Year 2019-20 was a good year for the Company. Due to normal monsoon, there was good demand of the Company's product and therefore the overall performance of the Company Improved. Further, IMD has forecast normal monsoon this year. Dhanuka hopes to further improve its performance during Financial Year 2020-21.

• Impact of COVID 19

World Health Organization (WHO) declared Covid-19 a pandemic and the outbreak, which infected millions and has resulted in deaths of a significant number of people globally.

Covid-19 is seen having an unprecedented impact on people and economies worldwide. The Ministry of Home Affairs, Government of India on March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of Covid -19 pandemic.

The Company's operations were temporarily disrupted at manufacturing facilities and sales depots across the country. This resulted in partial deferment of the Company's revenues from the month of March to the first quarter of FY21. The Company has resumed operations in a phased manner from the beginning of April as per Government directives.

The pandemic is expected to slow down overall business activity across key sectors in India. However, since our products fall under the essentials category, we do not foresee any major impact to the business due to the coronavirus pandemic. However, The Company was prompt to implement various measures to protect employees, communities and operations to ensure supply chain was not impacted. The Company was also encouraged non-critical operations to work from home and carry out interactions electronically. The



Company adheres to government advisories and guidelines in and around the sites. The Company closely engages with suppliers, vendors and distributors to ensure that there is a minimal impact on business operations. Further, relationships with the domestic manufacturers and distributors have helped the Company sustain inventories in the pipeline during the lockdown period.

- **Dividend**

Pursuant to Board Resolution dated 13th February, 2020, your Directors have paid Interim Dividend @600% i.e. Rs. 12/- per Equity Share for each Equity Share having a Face Value of Rs. 2/- each for the FY 2019-20. The total outgo on this account was Rs. 68.84 Crores (approx.) inclusive of Corporate Dividend Tax of Rs. 11.74 Crores.

The Board has decided in its meeting held on 10th June, 2020 to treat Interim Dividend as Final Dividend for FY 2019-20.

- **Dividend Distribution Policy**

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') requires the top 500 listed entities, based on market capitalization calculated as on March 31 of every financial year, to formulate a Dividend Distribution Policy and disclose the same in the Annual Report and on the website of the Company.

The Board of Directors of the Company has adopted a Dividend Distribution Policy, which aims to ensure fairness, sustainability and consistency in distributing profits to the Shareholders. The Policy is attached as **Annexure "A"** and is also available on the website of the Company i.e., www.dhanuka.com under the "Investors- Corporate Governance" section.

- **Transfer of Unpaid/ Unclaimed Dividend and Shares to IEPF**

During the FY 2019-20, Unclaimed Dividend for FY 2011-12 amounting to Rs. 8,48,166/- (Rupees Eight Lakhs Forty Eight Thousand One Hundred and Sixty Six only) and Interim Dividend for FY 2012-13 amounting to Rs. 5,90,553/- (Rupees Five Lakhs Ninety Thousand Five Hundred and Fifty Three only) were transferred to the Investor Education and Protection Fund (IEPF), pursuant to the provisions of Section 124(5) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time).

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the rules mentioned aforesaid, all Shares in respect of which Dividend has not been paid or claimed for 7 (Seven) consecutive years or more were transferred in the name of IEPF after requisite notice to concerned Shareholders. During the FY 2019-20, 7,750 (Seven Thousand Seven Hundred and Fifty) Equity Shares related to

FY 2011-12 and 20 (Twenty) Equity Shares relating to FY 2012-13 were transferred to IEPF. Details of such transferred Shares are available at the Company's website i.e. www.dhanuka.com under "Investors - Corporate Governance" section and such shares can be claimed back from IEPF authority after following the prescribed procedure.

- **Subsidiary Company**

At present your Company has only one Wholly owned Subsidiary namely, M/s. Dhanuka Agri Solutions Private Limited, incorporated in Bangladesh. Operations of this Wholly owned Subsidiary have not yet started. A Statement containing basic financial detail of this Company in Form AOC-1 is annexed as **Annexure "B"**.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Company's Financial Statements, Consolidated Financial Statements, along with relevant documents and separate Audited Accounts in respect of the Wholly owned Subsidiary are available on the website of the Company i.e., www.dhanuka.com under "Investors - Corporate Governance" Section.

The Company does not have any Material Subsidiary in terms of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, Policy on Material Subsidiaries has not been formulated. There are no Associate Companies within the meaning of Section 2(6) of the Companies Act, 2013.

- **Share Capital**

The Paid up Equity Share Capital of the Company as on March 31, 2020 was Rs. 9.52 Crores. During the year under review, the Company has not issued any shares.

- **Transfer to General Reserve**

This year no amount has been transferred to General Reserve.

- **Deposits from Public**

During the year under Report, your Company has not accepted any Deposits from Public.

- **Business Operations**

Dhanuka continues to remain debt-free, due to robust financial management. Additionally, it has a healthy Net worth of Rs. 707.70 Crores as on 31st March, 2020. ICRA has accorded (ICRA) AA- rating for fund based limits and (ICRA) A1+ rating for non-fund based limits of the Company (placed under watch with negative implications).

This is the matter of Pride that your Company has awarded **"NATIONAL BEST EMPLOYER BRAND 2019"** by World HRD Congress on 16th February, 2020.

Mr. Mahendra Kumar Dhanuka, Managing Director of the Company has conferred the award **"MOST RESPECTED ENTREPRENEUR"** by Hurun Report on 4th December, 2019 at St. Regis Hotel, Mumbai.



Mr. V.K. Bansal, CFO of the Company was conferred the award **“100 BEST CFO”** on 22nd November, 2019 at Mumbai.

A fire broke out at Company's factory situated in Keshwana, Rajasthan on 30th September, 2018. There was no human injury due to fire. During this year, the Company has received insurance claim of Rs. 59 crores as full settlement amount for the loss incurred there.

Transforming India Through Agriculture

Dhanuka's Corporate Vision “Transforming India through Agriculture” leads us to be the responsive, trustworthy and farmers' friendly organization. We are advocating 'Dhanuka Kheti Ki Nai Takneek (DKKNT)', a holistic approach of Integrated Crop Management for higher yields and in turn higher farmers' income. Company is remarkably contributing towards “Transforming India Through Agriculture” educating Indian farmers with new and innovative techniques of farming.

Dhanuka Innovative Agriculture Awards (DIAA)

On 9th January 2020, a gala event was organized at C. Subramaniam Auditorium, NASC Complex, New Delhi to announce the winners of Dhanuka Innovative Agriculture Awards 2018. With presence of Agri industry stalwarts and participation of more than 800 farmers across the nation, the event turned out to be a huge success in its first edition. Mr. Gajendra Singh Shekhawat, Minister of Jal Shakti, Govt. of India graced the event as Chief Guest.

Winning farmers were felicitated by 32 awards in various categories. Twelve farmers received Innovative Farmers Award and one farmer received 'Farmer of the Year Award' at National level with cash award of Rs.1,00,000 for outstanding contribution in agriculture. Eight awards were given in the water and rainwater harvesting categories to farmers and institutions, two awards were given for best working innovative technology in agriculture to both Krishi Vigyan Kendra (KVK) and agriculture universities at national and state level. And four awards were given for innovation in extension service to dealers and distributors. The event was telecast in India's leading broadcast channel ABP News and was covered by eminent publication houses.

Digital Media Campaigns

- World Water Day - #harboondkeemtihai
The campaign focused on motivating the viewer for saving minimum 1 liter water daily. The engaging content urged to give back water to farmers for a better tomorrow, was well received by Dhanuka's social media followers. Many such campaigns saw positive reach in social media platform and created niche for Dhanuka in digital media.
- Kisan Diwas - #thankyoukisan
On occasion of Farmers day celebration, several engaging contents were developed thanking the farmers for their hard work and efforts in feeding the nation. Viewers were asked to share their Thank you Kisan video appreciating and

recognizing farmer's determination and struggle. The campaign witnessed good reach in social media platform and created a niche in digital platform.

- COVID-19 Regional Booklet campaign for Precautions and Safety
Successfully driven and executed campaigns regional language wise on safety measures to combat the crisis
- Multiple Social Media campaigns - about COVID-19 , Safety Measures, Importance and Role played by Farmers and Dealers through official social media page of Dhanuka
- TV campaign – Your Company has initiated a TV campaign for Product Sempra across UP, Haryana and Punjab, Sugarcane and Maize areas for almost 3 months from February 2020 end to mid-May 2020 across TV channels. This had also helped the Company to show Sempra promotions during PM modi's address to Nation on multiple channels 2-3 times during lockdown.

Learning and Development of Employees

Your Company has identified and selected two potential employees for Executive Programme for Agricultural Input Marketing at IIM, Ahmadabad

Product Launch

Dhanuka keeps adding new products every year and also endeavors to improvise the existing products. Foreign Technological collaborations are always in the priority list of the Company in order to enhance the quality of our products.

During this year your Company has launched Seven Products:

- **MYCORE**
Mycore is an Arbuscular Mycorrhizal Fungi (AMF) having endo mycorrhizal spores in granular formulation. It enhances surface area of roots and facilitates increased absorption of soil nutrients and water, ultimately helps the crop to be vigorous, to be resistant against physical and biological stress. Eventually increasing the yield and productivity of the crop. Mycore has huge opportunity in multiple crops including cereal crops and vegetables. It is a great addition in our portfolio to increase our presence over the emerging Biological product segments.
- **ZAPAC**
Zapac is a systemic and contact insecticide formulated by mixing two most trusted molecules. It gives long-lasting and effective protection against broad range of pests. It has a better rain fastness and gives lush green leaves. Zapac benefits more branches and flower initiation.
- **PRO-RIN**
The Company has re-launched, Prorin a broad spectrum insecticide. Prorin has stomach and contact action. It is formulated as an emulsifiable concentrate containing profenofos active ingredient 40%, Cypermethrin active



ingredient by 4% by mass and balance adjuvant. It is used to control bollworms of cotton and Kills insects on lower and upper surface of leaves due to penetrating action.

➤ **PRODHAN**

The Company has re-launched, Prodhana a broad spectrum insecticide. It is used to control bollworms, jassids, aphid, thrips & white flies in cotton. It has strong contact and stomach action. It has excellent translaminar action, when sprayed on the upper surface of leaf, it immediately percolates down to lower surface of the leaf. It is absorbed readily in plant cells thus not affected by rainfall.

➤ **LARGO**

World's best thripicide, offers excellent control of important insects of Cotton, Chillies and various horticulture crops).

➤ **CHEMPA**

An effective, pre and post-emergence herbicide which controls broad leaf weeds, sedges and grassy weeds in paddy.

➤ **APPLY**

A new technology based systemic and translaminar insecticide to control brown plant hopper.

Further the period of Lockdown your Company has launched 2 New Products Dabooch and Dozo Maxx.

➤ **DABOOCH**

Dabooch is a member of Triazolopyrimidine Sulfonamide family, is a pre-emergence herbicide applied in Soybean crop within 3 days after sowing. It is Systemic in action and provides superior control of key broadleaf weeds in soybean in addition to suppression of key grasses and sedges. Safe to soybean as well as succeeding crops at recommended dose. Dabooch inhibits Aceto Lactate Synthase enzyme (ALS) in weeds and stops protein synthesis & control the weeds.

➤ **DOZO MAXX**

Dozo Maxx is a selective herbicide for cotton crop. It's having advance "ME" formulation which is superior & thermodynamically stable. It controls major broad and narrow leaves weeds. Pyriithiobac sodium is absorbed by roots and shoots and translocated to growing points. It inhibits the enzyme acetolactate synthase (ALS) involved in amino acid synthesis. Quizalofop Ethyl does Inhibition of acetyl CoA carboxylase (ACCase).

• **Measures for Conservation of Energy, Technology Absorption and Details of Foreign Exchange Earnings and Outgo**

Information as required u/s 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 pertaining to measures for Conservation of Energy, Technology Absorption and Details of Foreign Exchange Earning and Outgo forming part of this Report are given in **Annexure "C"**.

• **Web address for Annual Return**

The Annual Return of the Company pursuant to Section 92(3) of the Companies Act, 2013 is available on the website of the Company i.e., www.dhanuka.com under "Investors" Section.

• **Business Responsibility Reporting**

Business Responsibility Report as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2018 is available at the website of the Company i.e. www.dhanuka.com under "Investors- Corporate Governance" Section. Any Member interested in obtaining a physical copy of the same may write to the Company Secretary at the Registered Office address of the Company.

• **Meetings of the Board**

Four meetings of the Board of Directors were held during the Financial Year 2019-20. Detailed information about meetings of the Board of Directors and its Committees is given in the Corporate Governance Report annexed to this Report. The Company is in compliance with the Secretarial Standards prescribed by the Institute of Company Secretaries of India for the Board and Committee meetings.

• **Board of Directors and KMP**

➤ In accordance with the provisions of the Companies Act, 2013, Mr. Ram Gopal Agarwal and Mr. Mridul Dhanuka, Directors will be liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Their re-appointment is recommended for the Members' approval at the ensuing Annual General Meeting.

➤ The Second Term of appointment of Mr. Indresh Narain, as Independent Director was concluded on 20th May, 2020 due to vacation of his office pursuant to the provision of Section 167(1)(b) of the Companies Act, 2013 as he has not attended single Board Meeting in the last Twelve months. Consequently he ceased to be Chairman of the Stakeholders' Relationship Committee and Member of the Audit Committee and CSR Committee. The Board of Directors placed on record its sincere appreciation for the contributions made by Mr. Indresh Narain during his tenure as Independent Director of the Company.

➤ Based upon recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed Mr. Siraj Azmat Chaudhry as an Additional Director (Non-Executive and Independent category), w.e.f. 22nd July, 2020, in accordance with provisions of the Companies Act, 2013 and Rules framed thereunder. He shall hold office up to the date of ensuing Annual General Meeting. His appointment as Independent Director for a term of 5 (Five) consecutive years is recommended for the Members' approval at ensuing Annual General Meeting.

➤ The Shareholders at the 31st Annual General Meeting held on 11th August, 2016 re-appointed Mr. Mridul Dhanuka

as Whole time Director for a period of 5 (Five) years from 24th May, 2016 to 23rd May, 2021 (both days inclusive).

Further, Mr. Mridul Dhanuka is appointed as an Executive Director of M/s. Orchid Pharma Limited on 29th June, 2020. A Director cannot hold the position of Executive Director in two Companies and accordingly based on recommendation of the Nomination and Remuneration Committee approval of Board Members has given for change in designation of Mr. Mridul Dhanuka from Executive Director to Non-Executive Director of Dhanuka Agritech Limited and change in his remuneration with effect from June 29, 2020.

The same has been recommended to the members' for approval at ensuing Annual general meeting.

- Section 149(11) provides that an Independent Director may hold office for up to 2 (Two) consecutive terms of 5 (Five) Years. As the First term of Mr. Sachin Kumar Bhartiya, Independent Director will be over on 8th February, 2021, based on recommendation of the Nomination and Remuneration Committee the Board has recommended to the shareholders his re-appointment for Second Term of 5 (Five) consecutive years. Mr. Bhartiya is very well qualified and possesses very rich Industry experience in Diversified sectors. Besides, he is having in-depth knowledge of the industry where your Company work and he has made excellent contribution during his First Term.
- Mrs. Jyoti Verma has resigned from the position of Company Secretary and Key Managerial Personnel of the Company w.e.f. 12th November, 2019. In her place, Mr. Jitin Sadana has been appointed as Company Secretary and Key Managerial Personnel of the Company w.e.f. 13th February, 2020 based upon the recommendation of the Nomination and Remuneration Committee of the Board. Mr. Jitin Sadana is Fellow Member of Institute of Company Secretaries of India (ICSI) and has more than 15 years of experience of Secretarial matters. He is acting as Company Secretary cum Compliance officer of the Company.

There is no change in the Chief Financial Officer of the Company.

- **Familiarization Program**

Details of Familiarization Program for Independent Directors are available on the website of the Company i.e. www.dhanuka.com under the "Investors - about Board of Directors" Section.

- **Directors' Responsibility Statement**

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

- The applicable Accounting Standards have been followed along with proper explanations relating to material

departures while preparing the Standalone and Consolidated Annual Accounts.

- The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial Year and of the Profit of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting frauds and other irregularities.
- The Directors have prepared the Standalone and Consolidated Annual Accounts on going concern basis.
- The Directors have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and operating effectively.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

- **Corporate Governance**

Your Company maintains highest level of transparency, accountability and good management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities.

The Board has also evolved and adopted a Code of Conduct as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 based on the principles of good Corporate Governance and best Management Practices. The Code is available on the Company's website i.e., www.dhanuka.com under "Investors- Corporate Governance" Section.

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Report on Corporate Governance along with Statutory Auditors' Certificate confirming compliance with Corporate Governance norms is annexed to this Report.

- **Management Discussion & Analysis**

The Management Discussion and Analysis is given separately and forms part of the 35th Annual Report.

- **Corporate Social Responsibility (CSR)**

Agriculture is the culture of our Country and we are nurturing the "Culture" by protecting the same. CSR isn't just a particular program, it's what your Company do every day, maximizing positive impact on society and thus helping people to be happier. Your Company undertakes enumerable initiatives like making water conservation through the construction of Check Dams, Rejuvenation of old Water



Bodies, creating awareness among the masses about Water Conservation and Rainwater Harvesting. These are steps towards nurturing Agriculture and rural prosperity. In continuation of water conservation initiatives, Dhanuka has constructed the 6th Check Dam at Malpura, Keshwana, Dist. Kotputli (Rajasthan). Dhanuka is driving a tree plantation campaign by planting more than 16,000 trees in Rajasthan State.

The detailed Annual Report on our CSR activities pursuant to Rule 8 of the Company's (Corporate Social Responsibility Policy) Rules, 2014 is given in **Annexure "D"** forming part of this Report.

- **Internal Complaints Committee (ICC)**

Your Company has zero tolerance for Sexual Harassment of Women at workplace. In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has constituted an Internal Complaints Committee (ICC), to inquire into the complaints of Sexual Harassment and to recommend appropriate action.

The ICC constitution has been revised w.e.f 12th November, 2019. The ICC comprises Ms. Shubha Minz (Presiding Officer), Mr. Sudhir Sharma (Member), Ms. Puja Gogia (Member) and Ms. Isha Thakur (Member). The Company has also formulated a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at workplace. The Company's Policy under this Act is available on the Corporate Website i.e., www.dhanuka.com under "Investors- Corporate Governance" Section. The ICC provides a mechanism for reporting and redressing complaints related to Sexual Harassment of Women at workplace. The Committee has not received any complaint of Sexual Harassment during the Financial Year 2019-20 nor has any complaint been received in previous years.

- **Committees of the Board**

The details of Committees of the Board are provided in the Corporate Governance Report forming part of this Report.

- **Whistle Blower Policy**

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Whistle Blower Policy has been implemented as a mechanism for employees to report concerns about unethical behavior or actual or suspected fraud of all kinds, including alleged fraud by or against the Company, abuse of authority, whether made by a named complainant or anonymously.

The Policy is a step towards better Corporate Governance and is available on the Company's website i.e., www.dhanuka.com under "Investors- Corporate Governance" Section. No complaint under this head has been received by the Company during the year.

- **Material Changes and Commitments affecting the Company's Financial Position between the end of the Financial Year and Date of Report u/s 134 of the Companies Act, 2013**

Except as disclosed in the Report, there have been no material changes and commitments, affecting the financial position of the Company between the end of the Financial Year till the date of this Report.

- **Declaration by Independent Directors**

The Non-Executive Independent Directors of the Company have given declaration stating that they continue to confirm the criteria set out for Independent Directors under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- **Performance Evaluation**

In compliance with the requirement of Section 134(3)(p) and Schedule IV of the Companies Act, 2013 and Rules framed thereunder and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company evaluated and assessed the performance of the Company's Chairman, Individual Directors, Board as a whole and its Committees on the basis of parameters set by the Nomination and Remuneration Committee in the form of questionnaire based on emerging and leading practices and performance criteria such as strategic engagement, knowledge, diligence, ethics & values, oversight of the financial reporting process, including Internal Controls and Composition of the Board and its Committees etc. The Nomination and Remuneration Committee has also carried out evaluation of the performance of all the Directors. Independent Directors of your Company have also conducted in-depth evaluation of performance of Executive Directors, Chairman of the Board and Committee(s) of the Board.

- **Policy on Appointment and Remuneration of the Directors, Key Managerial Personnel and Other Employees**

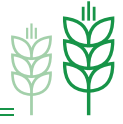
In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178(3) of the Companies Act, 2013, Company's Policy relating to the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management is given in the Corporate Governance Report forming part of this Report.

- **Particulars of Inter Corporate Loans, Guarantees or Investments**

The particulars of Inter Corporate Loans and investments of the Company have been provided in the Notes to the Financial Statements.

- **Particulars of Contracts or Arrangements with Related Parties**

Particulars of contracts or arrangements with related parties pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 are given in **Annexure "E"** forming part of this Report. Notes to Accounts cover information on Related Party Transactions entered into by the Company.



All contracts/ arrangements entered with Related Parties in terms of Section 188(2) of the Companies Act, 2013 were in the ordinary course of business and on arm's length basis. During the year under review the Company has not entered into any transactions with Related Parties which could be considered material in terms of the Company's policy on materiality of Related Party Transactions read with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

However, for significant Related Party transactions even though not material, Members' approval has been taken.

The Revised Policy on Related Party Transactions has been approved by the Board of Directors in their Meeting held on 13th February, 2020 and is available on the website of the Company i.e., www.dhanuka.com under the "Investors – Corporate Governance" Section.

- **Risk Management Policy and Internal Adequacy**

For Dhanuka, on-going Risk Management is a core function of Company's Management and we recognize the fact that the Company's ability to pro-actively identify, assess and minimize risk is critical in achieving its corporate objectives. The Board of Directors of the Company has approved a Risk Identification, Assessment and Mitigation Report to ensure appropriate and timely Risk Management, in compliance with the provisions of the Companies Act, 2013 and Listing Regulations. The Company's Internal Control systems are commensurate with the nature of its business and the size and complexity of its operations.

- **Risk Management Committee**

A Risk Management Committee of the Board of Directors has been constituted in the Board Meeting held on 10th June, 2020, Mr. Rahul Dhanuka as a Chairperson and Mr. Harsh Dhanuka and Mr. VK Bansal as members of the Committee, to identify the elements of risk in different areas of operations and to develop a policy for actions associated to mitigate the risks as well as identify new and emergent risks. This Committee will inform the Board, on a timely basis, about risk assessment and minimization procedures which in the opinion of the Committee may threaten the existence of the Company, if any. A Risk Management Policy has also been adopted in the Board Meeting held on 10th June, 2020 which is also available on the website of the Company under Investors section.

- **Internal Control Systems and their adequacy**

The Company has Internal Control System commensurate with the size, scale and complexity of its operations. The Company has appointed M/s. Manoj Ritu and Associates, Chartered Accountants as Internal Auditors and along with them there is in house Internal Audit team functioning as well.

The Audit Committee defines the scope and area of Internal Audit and periodically reviews the Internal Audit Plans and Internal Audit Reports. Based on Internal Audit Reports and

observations, appropriate corrective actions are suggested by the Audit Committee. During the year, Internal Audit was regularly carried out and no material weakness was observed. There are adequate Internal Financial controls with reference to the financial systems. The same are periodically reviewed by the in-house Internal Auditors and Statutory Auditors and by the Management, Board and Committees thereof.

- **Statutory Auditors**

As per Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in the 33rd Annual General Meeting held on 10th August, 2018 has appointed M/s. S.S. Kothari Mehta & Co., Chartered Accountants (FRN – 000756N), having their Registered Office at Plot No. 68, First Floor, Phase-3, Okhla Industrial Area, New Delhi-110 020, as the Statutory Auditors of the Company for 5 (Five) Years.

The Audit Report given by M/s. S.S. Kothari Mehta & Co., Chartered Accountants on the Financial Statements of the Company (on Standalone and Consolidated basis) for the Financial Year 2019-20 forms part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013 and hence no detail is required to be disclosed under Section 134(3) of the Act.

No frauds have been reported by Auditors under Sub-section (12) of Section 143 of Companies Act, 2013.

- **Secretarial Auditors**

The Secretarial Audit was carried out by M/s. R&D, Company Secretaries, Practicing Company Secretaries (PCS) for the Financial Year 2019-20. The Report given by the Secretarial Auditors is annexed as **Annexure "F"** and forms an integral part of this Board's Report. Further, in terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) (Amended) Regulations, 2018, Annual Report on Compliance from Secretarial Auditors also forms part of Secretarial Audit Report as **Annexure "G"**.

There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Secretarial Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013 and therefore no detail is required to be disclosed under Section 134(3) of the Act. In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in terms of Regulation 24A of Listing Regulations, the Audit Committee recommended and the Board of Directors appointed M/s. R&D, Company Secretaries, (PCS), having their Registered Office at 785, Pocket E, Mayur Vihar, Phase-II, New Delhi-110 091, as the Secretarial Auditors of the Company for the Financial Year 2020-21. The Company has received their written consent stating that the appointment is in accordance with the



applicable provisions of the Act and rules framed thereunder.

- **Cost Records and Cost Auditors**

In terms of provision of Section 148(1) of the Companies Act, 2013 maintenance of Cost Records is required by the Company and accordingly such accounts and records are made and maintained.

The Board of Directors, in compliance with the provisions of the Companies Act, 2013, Rules and Notifications issued thereunder, have appointed M/s. S. Chander & Associates, Cost Accountants, having their Registered Office at 212, 2nd Floor, Sarai Pipal Thala, G.T. Karnal Road, Adarsh Nagar, Delhi- 110 033, as Cost Auditors to conduct Audit of the Cost Accounts maintained by the Company for the Financial Year 2020-21.

- **Status of Listing Fees**

Listing Fees for the Financial Year 2020-21 have been duly paid to BSE and NSE, where Company's shares are Listed.

- **Material Orders passed by Regulators, Courts or Tribunal**

There were no significant or material orders passed by the Regulators, Courts or Tribunal which impact the going concern status of the Company and the Company's operations in future.

- **Particulars of Employees**

The Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules"), is appended as **Annexure "H"** to this Report. The information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report. However, as per First proviso to Section 136(1) of the Companies Act, 2013 and Second proviso to Rule 5(2) of the Rules, the Report and Financial Statements are being sent to the Members of the Company excluding the Statement of Particulars of Employees under Rule 5(2) of the Rules. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

- **Acknowledgement:**

Your Directors take this opportunity to record their deep sense of gratitude for the valuable support and co-operation extended to the Company by the Central Insecticides Board, Directorates of Agriculture and other Government Agencies, Bankers, Shareholders, Dealers, Distributors, Vendors, U.S. & Japanese MNCs and the Farming Community who have reposed their trust and confidence in the Company.

Your Directors wish to place on record their appreciation for the cordial industrial relations maintained by workmen and dedicated efforts put in by staff, towards Company's continuous growth and success.

For and on behalf of the Board

Sd/-

Ram Gopal Agarwal

Chairman

DIN: 00627386

For and on behalf of the Board

Sd/-

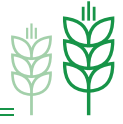
Mahendra Kumar Dhanuka

Managing Director

DIN: 00628039

Date: 22nd July, 2020

Place: Gurugram



DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called "SEBI LODR") issued by the Securities and Exchange Board of India (SEBI) has mandated the formulation of a Dividend Distribution Policy for the top 500 listed entities based on their market capitalization.

2. OBJECTIVE

As the Company is in the top 500 listed Companies as on March 31, 2016, it is required to formulate a Dividend Distribution Policy in compliance with Regulation 43A of the SEBI (LODR).

The Board of Directors of the Company (hereinafter called "the Board") has accordingly approved this policy at its meeting held on February 07, 2017.

3. EFFECTIVE DATE

This policy is effective from the Financial Year ending March 31, 2017.

4. GUIDELINES FOR DECLARATION / RECOMMENDATION OF DIVIDENDS

- 4.1 The Company shall comply with relevant statutory requirements in the Companies Act, 2013 which may be applicable to the Company at the time of taking decision on declaration / recommendation of dividend.
- 4.2 The Company shall pay dividend in compliance with the provisions of Section 123 of the Companies Act, 2013 and Companies (Declaration and Payment of Dividend), Rules, 2014.
- 4.3 The Board shall consider the expectations of all stakeholders including minority / small shareholders) while declaring/ recommending dividends.

5. THE POLICY SHALL NOT APPLY TO

- 5.1 Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- 5.2 Distribution of funds as an alternative to payment of dividend by way of Buyback of Equity Shares.

6. RETAINED EARNING UTILIZATION

- 6.1 The Company is engaged into the business of manufacturing of pesticides for farmers of India.
- 6.2 The profits retained in the business shall be continued to be deployed for expansion of the business of the Company.
- 6.3 The decision of utilization of the retained earnings of the Company shall be based on the factors like Strategic and long term plans of the Company, diversification, Government guidelines with regard to issue of bonus, Buyback and any other criteria which the Board of the Company may consider appropriate.

Therefore, retained earning shall be utilized in a manner which will enhance value of all its shareholders in a sustainable manner.

7. FINANCIAL PARAMETERS AND OTHER INTERNAL AND EXTERNAL FACTORS THAT WOULD BE CONSIDERED FOR DECLARATION OF DIVIDEND

- 7.1 Surplus funds available with the Company;
- 7.2 The Company's liquidity position and future cash flow requirements;
- 7.3 Track record of Dividends distributed by the Company;
- 7.4 Taxation Policy as on date or any amendments expected thereof, with respect to Dividend distribution;
- 7.5 Capital expenditure requirements considering the expansion and acquisition opportunities;
- 7.6 Cost and availability of alternative sources of financing;
- 7.7 Macroeconomic and business conditions in general;
- 7.8 Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

8. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

- 8.1 The dividend declaration decision of the Company will be taken by the Board/Shareholders after due consideration of all the factors. The Company will adopt a balanced approach to declare dividend with the objective of rewarding the shareholders appropriately and at the same time retaining the profits for its future requirements.



8.2 The Company has been consistently paying dividends to its shareholders and it can be reasonably expected to continue declaring same in future as well unless, it is restrained to declare dividend due to insufficient profits or the requirements to retain profits for its business needs or on account of any external or internal factors listed above.

8.3 The Company will endeavor to declare the dividend as per the guidelines issued by Govt. of India from time to time. However, the Company may propose lower dividend after analysis of various financial parameters, cash flow position and funds required for future growth, etc.

9. AMENDMENTS

The Board of Directors of the Company reserves the rights to amend, modify or review this policy in whole or in part, at any point of time, as may be deemed necessary.

10. DISCLOSURE

This policy shall be disclosed in the Annual Report and displayed on the website of the Company.

Annexure 'B'

FORM NO. AOC-1

STATEMENT PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT, 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO WHOLLY OWNED SUBSIDIARY COMPANY- M/S. DHANUKA AGRI SOLUTIONS PRIVATE LIMITED

(₹ In Lacs)

Name of the Subsidiary Company	M/s. Dhanuka Agri Solutions Private Limited, Bangladesh
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same (i.e. 31 st March)
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Bangladeshi Taka (Exchange Rate 1 BDT=INR 0.8885)
Share capital (Rs.)	0.09
Reserves & surplus	(11.65)
Total assets	0.08
Total Liabilities	11.64
Investments	Nil
Turnover	Nil
Profit before taxation	(11.65)
Provision for taxation	Nil
Profit after taxation	(11.65)
Proposed Dividend	Nil
% of shareholding	100%

For and on behalf of the Board of Directors

Sd/-
Ram Gopal Agarwal
Chairman
DIN: 00627386

Sd/-
Mahendra Kumar Dhanuka
Managing Director
DIN: 00628039

Sd/-
V.K. Bansal
CFO
M.No. : 86263

Sd/-
Jitin Sadana
Company Secretary
FCS-7612

Date: 22nd July, 2020
Place: Gurugram

Annexure 'C'

(A) Conservation of Energy

1. Automatic on/off system installed in an underground water tank and overhead water tank. The pump will run automatically when a low level achieves and stops when a high level achieves. Hence reduced consumption of electricity.
2. Electromagnetic Flowmeter installed on ETP/STP water line for proper assessment.
3. Maximized Reuse/ Recycle of Waste Water. ETP treated water is being used for gardening and in hot water generators.
4. Reduced the consumption of Paper usage. Promoted soft copy record instead of hard copy, using both sides of the paper for writing purpose, no printouts were taken unless it was essential & monitoring of consumption of paper.
5. Reuse of reflux-distillation water being used for testing/analysis of product in the laboratory.
6. Installation of 257 KW Solar power energy system for captive consumption.
7. Conversion of existing light fittings to LED light fittings.

(B) Technology absorption

- (i) The following efforts were made towards technology absorption:
 1. New Filling line installed with more advanced features like conveyor washing system, enhanced capacity.
 2. ISO 9001-2015, ISO 14001-2015 and OHSAS 18001-2007 certification audit completed and was successful.
 3. NABL audit surveillance audit conducted and successful.
- (ii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):

The Company has not imported any technology during the last three Financial Years.

Details of Technology Imported	Year of Import	Status absorption/ implementation	Reason, if not fully absorbed
NIL	NA	NA	NA

Your Company's strategic collaborations with MNCs have resulted in technology transfer and adoption of scientifically

advanced, high-efficacy plant-protection chemicals by the Indian farmers, resulting in increased crop yields and farm incomes. This goes a long way towards ensuring food security for the nation.

Your Company's Keshwana Laboratory is NABL-accredited and successfully survived the surveillance audit. Also, the Company's R&D Centre is recognized by the Department of Science & Technology, Ministry of Chemicals, Government of India.

The Company's Keshwana Unit has also received re-certification (for ISO 9001:2015 for Quality Management and ISO 14001:2015) for Environmental Management. The OHSAS 18001:2007 certification Awarded to the Company's Keshwana and Udampur unit demonstrates the Company's commitment to its employees, employees' families and other stakeholders regarding the health, safety, and wellness of each person that may be exposed to the health and safety risks associated with the activities and operations of the Company. Further, it helps reduce accidents, disruptions, and their associated costs, thereby increasing productivity.

(C) Research & Development

Since its very inception, our Research & Development Division continues to play a pro-active role in the introduction and establishment of new products and services. This Division today has a highly qualified and experienced multi-disciplinary team having distinguished Scientists / Technocrats, with immense experience of working in the Indian Council of Agricultural Research (ICAR), State Agricultural Universities (SAU), and other esteemed research organizations across the Country. Therefore, it forms our core strength for expanding the Brand portfolio as an on-going process for the introduction of new eco-friendly world-class molecules.

In order to fulfill its mandate, the Division is actively engaged in (i) evaluating new and current products in different agro-climatic regions of the country, (ii) product promotion and creating awareness about newly introduced products amongst different stakeholders, (iii) channelizes information to consumers for safe and judicious use, (iv) develops interface with SAUs, ICAR and its Institutes and other such academic organizations, and (v) imparts training to Development and Marketing staff, Agri-input Dealers and Farmers, etc.

This Division generates data on different parameters for registration of molecules and expansion of existing label claims on suitable crops, and prepare appropriate proposals as per guidelines of the Govt. of India and submit for approval of the Central Insecticide Board & Registration Committee (CIB & RC), Govt. of India. Further, it also facilitates the registration of pesticides for exports.



Introduction of New Products

One of the important on-going activities of the R&D Division is the registration of new molecules of Foreign Collaborators, besides the expansion of existing label claims, packaging endorsements, bio-efficacy claims, and registration of products under Section 9(3) and 9(4) of the Insecticides Act, etc.

During Financial Year 2019-20, your Company has obtained the approval of the CIB & RC, Govt. of India under Section 9(3) of the Insecticides Act for Label Expansion of Kasugamycin 5% + Copper Oxychloride 45% WP for control of Anthracnose and Bacterial leaf spot in grapes.

In addition, approval has also been granted for sixteen products under Section 9(4) of the Insecticides Act. Some of the very important products are Pyriproxyfen 10% EC for control of Whitefly in cotton and Whitefly and Aphids in Chilli, Hexaconazole 5% + Validamycin 2.5% SC, Hexaconazole 4% + Carbendazim 16% SC, and Tricyclazole 45% + Hexaconazole 10% WG for control of Blast and Sheath blight in Paddy; Azoxystrobin 16.7 % + Tricyclazole 33.3 % SC for control of Sheath blight, Blast and Brown spots in Paddy.

CIB & RC approval has also been accorded under Section 9(4) of the Insecticide Act also for Azoxystrobin 11.5% + Mancozeb 30 % w/w WP and Mancozeb 40% + Azoxystrobin 7% OS for control of early and late blight in tomato. Another product is Carbendazim 12% + Mancozeb 63% WS for control of Tikka leaf spot, Collar rot, and Dry root rot. Approval has also been given to another important product- Tricyclazole 18% + Mancozeb 62% WP for control of Brown Spot, Blast, and Grain Discoloration in Paddy.

The registration process being an on-going activity, the proposals are in the pipeline for some new fungicides, insecticides, and herbicides. Similarly, data generation is in progress for Herbicides, fungicides, and insecticides.

International collaborations

Your Company continues to have technical collaborations with MNCs like M/s Corteva Agri Sciences (a merged Company of M/s Dow Agro Sciences, and M/s DuPont), M/s FMC Corporation and M/s Oro Agri of USA; M/s Arysta Life Science, M/s Hokko Chemical Co. Limited, M/s Mitsui Chemicals, Inc., M/s Nissan Chemical Corporation, M/s. Nippon Soda Co., Ltd. and M/s OAT Agrio Co., Ltd of Japan. This way Dhanuka Agritech Limited has introduced a good number of eco-friendly, highly effective pesticides immensely benefiting the farming community to enhance on-farm income, across the Country.

Capacity building of Agri-input dealers

As knowledge is becoming the driving force for success in any enterprise, more so in agriculture, our Group is continuously pursuing upgrading the knowledge of agri-input dealers (over 4

lakh at present), who play an important role of the credible agriculture technology providers. Your Company was the first to join hands with the National Institute of Agricultural Extension Management (MANAGE), Hyderabad under Public-Private Partnership (PPP), and supported its out-reach Diploma in Agricultural Extension for Input Dealers (DAESI), way back in 2002. With positive feedback, on our initiative under public-private partnership (PPP), three State Agricultural Universities (SAU) in Gujarat- Anand Agricultural University, Navsari Agricultural University, and Junagadh Agricultural University, launched one-year Diploma on the pattern of one by MANAGE, as an outreach program, in which your Company met 50% of the fee. We are happy to share that today five State Universities with our PPP are running this program effectively.

Ministry of Agriculture and Farmers' Welfare, vide Gazette Notification GSR 840 (E) dated 5 November 2015 issued a notification stating that any individual who wants to run insecticide/ pesticide shop should possess a degree (B.Sc. Agri/ Biochemistry/ Biotechnology/ Life Sciences/ Chemistry/ Botany/ Zoology). In the case of existing dealers, the condition is either to acquire a Degree in the listed streams or hire an employee having such a Degree in mentioned streams.

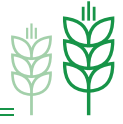
We are happy to mention that on your Company's persistent follow-up with all the stakeholders, the Govt. of India has issued an addendum to Gazette recently by including a one-year outreach Diploma (DAESI) as an alternative qualification. We are constantly following with ICAR; Ministry of Agriculture, Govt. of India for other State Universities to start such a course to fulfill the fast-rising demand.

Field Extension Programs

This year as well Dhanuka's Public-Private Partnership initiative continued with Swami Keshwanand Rajasthan Agricultural University, Bikaner; Amity University, Noida and Sharda University, Noida for a Diploma in Agri-Business Management, and public-private partnership with Bihar Litchi Growers Association.

Your Company continues to organize year-round field extension activities including Krishak Goshthee, promoting farmer-friendly technologies like rainwater harvesting and reuse during dry spells; seed treatment with appropriate fungicides before sowing, soil and water test-based fertilizer use, safe and judicious use of crop protection chemicals, straw mulching instead of burning in the field, information about spurious /misbranded products, purchase of inputs from reliable companies against cash receipt, etc.

The R&D Division continued to publish technical publications (Booklets and Folders) in an easy to comprehend style, which serves a handy source of information for all concerned to provide credible information to the farming community.



The expenditure incurred on R&D during Financial Year 2019-20 and in the preceding year is as below: **(₹ In Lacs)**

Particulars	2019-20	2018-19
a. Capital	Nil	Nil
b. Recurring	352.13	223.20
c. Total	352.13	223.20
d. Total R&D expenditure as % of total turnover	0.31%	0.22%

Foreign Exchange Earnings and Outgo

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

(₹ In Lacs)

Particular	2019-20	2018-19
Foreign Exchange Earned	716.90	437.90
Outgo of Foreign Exchange	9761.83	12257.10

For and on behalf of the Board

Sd/-

Ram Gopal Agarwal

Chairman

DIN: 00627386

Date: 22nd July, 2020

Place: Gurugram

Looking beyond

Of-late, the focus of research in crop protection chemicals is continuously expanding and besides developing eco-friendly plant protection molecules, innovative formulation and application technology, enhancing shelf-life are some of the fast-emerging areas. The pesticide research across the world is coming with newer economically viable and environment-friendly molecules and safer use technology. Your Company's R&D Division has a futuristic look and thus continuously exploring newer opportunities for collaboration and undertaking lab and on-field studies for label expansion on new crops/insects, pests and diseases and also for registration of new molecules.

For and on behalf of the Board

Sd/-

Mahendra Kumar Dhanuka

Managing Director

DIN: 00628039

Annexure 'D'

Annual Report on CSR Activities

- 1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

The CSR Policy recommended by the CSR Committee has been approved by the Board of Directors and is available on the Corporate Website i.e., www.dhanuka.com at the given link <https://www.dhanuka.com/csr>.

Your Company lays special emphasis on promoting education, eradication of hunger, poverty and malnutrition;

conservation of water, deployment of water for agriculture and human use.

The thrust is on training and education of farmers and dealers and transfer of technology to improve food production. The Company's CSR efforts have been to conserve "Gaon ka paani, gaon mein aur khet ka pani, khet mein" and will continue to work in this direction.

- 2. The Composition of the CSR Committee.**

The Board of Directors has constituted CSR Committee, in accordance to the provisions u/s 135 and Schedule VII of



the Companies Act, 2013 and the Rules made thereunder. The CSR Committee comprises Mr. Ram Gopal Agarwal (Chairman), Mr. Bajrang Lal Bajaj (Member) and Mr. Arun Kumar Dhanuka (Member). Detailed information about CSR Committee is covered in the Corporate Governance Report.

3. Average Net Profit of the Company for last three Financial Years: Rs. 161.24 Crores, as per applicable Section 198 of the Companies Act, 2013.

4. Prescribed CSR Expenditure (two per cent of the amount as in item no. 3 above): Rs. 322.49 Lakhs.

5. Details of CSR spent during the Financial Year:

- a. Total amount spent for the Financial Year: Rs. 323.17 Lakhs.
- b. Amount unspent: Nil
- c. Manner in which the amount spent during the Financial Year is detailed below.

(₹ In Lacs)

S. No.	CSR project or activity identified/beneficiary	Sector in which the project is covered	Location of the Projects / programs	Amount outlay (budget)	Amount spent on the projects or programs Subheads: (1) Direct expenditure (2) Overheads	Cumulative expenditure upto the reporting period.	Amount spent: Direct/ Implementing Agency
1	Donation for economically empower the community of adults with intellectually disabilities	Livelihood Enhancement projects	Bangalore, Karnataka	1.00	1.00	1.00	AMBA
2	Purchase of medical equipment	Preventive Healthcare	New Delhi	2.50	2.50	2.50	Arya Samaj
3	Donation for water harvesting project	Environmental Sustainability	New Delhi	21.65	21.65	21.65	Indian Society Of Agribusiness Professionals
4	Donation for eye operation	Preventive Healthcare	Udaipur, Rajasthan	2.00	2.00	2.00	Narayan Seva Sansthan
5	Pond Renovation at Kalwa Village	Livelihood Enhancement projects	Kalwa, Maharashtra	1.00	1.00	1.00	Sarpanch Gram Panchayat Kalwa
6	Donation for Cancer Treatment	Preventive Healthcare	Saharanpur, Uttar Pradesh	4.00	4.00	4.00	Shri Ramakrishna Cancer hospital
7	Donation for Children education	Promotion of education	New Delhi	11.00	11.00	11.00	Vaish Agarwal Educational Society
8	Water Pipe Line at Kalewadi	Livelihood Enhancement projects	Kalewadi, Maharashtra	5.00	5.00	5.00	Gram Panchayat Dive
9	Donation for Cancer patients	Preventive Healthcare	Faridabad, Haryana	1.50	1.50	1.50	Win Over Cancer
10	Donation for food	Eradicating Hunger	Vrindavan, Uttar Pradesh	1.08	1.08	1.08	Hare Krishna Movement, Vrindavan
11	Donation for Construct of Medical Care Unit	Preventive Healthcare	Gurgaon, Haryana	0.10	0.10	0.10	The Earth Saviours Foundation



12	Donation for Cancer Treatment	Preventive Healthcare	Delhi	9.01	9.01	9.01	Shri Ram Krishna Sewa Sansthan
13	Donation for Children education	Promotion of education	New Delhi	22.00	22.00	22.00	Bharat Lok Shiksha Parishad
14	Rehabilitation of Chained Mentally ill Patients	Preventive Healthcare	Churu, Rajasthan	4.10	4.10	4.10	Nishkam Foundation
15	Donation for Children education	Promotion of education	New Delhi	0.10	0.10	0.10	CRY
16	Donation for Welfare of aged People	Facilities for Senior Citizens	New Delhi	0.50	0.50	0.50	Age Care India
17	Donation for Divyang & scholarship to needy students	Promotion of education	Delhi	1.00	1.00	1.00	Tarun Mitra Parishad
18	Capacity Building of Rural Youth	Livelihood Enhancement projects	Ahmedabad, Gujarat	1.50	1.50	1.50	National council for climate change sustainable development & public leadership
19	Donation for Children education	Promotion of education	New Delhi	1.00	1.00	1.00	Khushii
20	Donation for Pond Renovation	Livelihood Enhancement projects	Vrindavan, Uttar Pradesh	25.00	25.00	25.00	Brij Vikas Trust
21	Donation for eye operation	Preventive Healthcare	New Delhi	3.13	3.13	3.13	Sant Parmanand hospital
22	Construction of School Building	Promotion of education	Ratnagarh, Rajasthan	205.00	205.00	205.00	Kalpitaru Real Estate
Total Direct Expense				323.17	323.17	323.17	
Overhead				-	-	-	
TOTAL				323.17	323.17	323.17	

6. In case the Company has failed to spend the two per cent, of the Average Net Profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

Company has duly spent 2% of the Average Net Profit of past three years of the Company.

7. A Responsibility Statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

We hereby state that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

Sd/-

Ram Gopal Agarwal
(Chairman CSR Committee)
(Director)
DIN: 00627386

For and on behalf of the Board of Directors

Sd/-

Arun Kumar Dhanuka
(Member CSR Committee)
(Director)
DIN: 00627425

Date: 22nd July, 2020
Place: Gurugram



Annexure 'E'

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

Commission (C&F) Agreement with M/s. Dhanuka Marketing Company ("DMC").

- (a) **Name(s) of the Related Party and nature of relationship:** M/s. Dhanuka Marketing Company. Mr. Ram Gopal Agarwal, Chairman and Mr. Mahendra Kumar Dhanuka, Managing Director are brothers of Mr. S.N. Agarwal, partner of DMC.
- (b) **Nature of contracts/ arrangements/ transactions:** Commission (C&F) agent and care-taker of the Company's operations in the South and East Zone(s).
- (c) **Duration of the contracts/ arrangements/ transactions:** For a period of 3 (Three) Financial Years from FY 2019-20 to FY 2021-22.
- (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:** Payment of Commission to DMC is @1% of the Net Sales of South and East Zone(s), as approved by the Audit Committee and the

Board of Directors of the Company.

- (e) **Justification for entering into such contracts or arrangements or transactions:** DMC has been providing Commission (C&F) Agent services to M/s. Northern Minerals Limited (presently M/s. Dhanuka Agritech Limited) since 1980. DMC has strong network of dealers/ distributors in South and East Zone(s) and provides various value added services to the Company.
- (f) **Date(s) of approval by the Board:** 21st May, 2019
- (g) **Amount paid as advances, if any:** Nil.
- (h) **Date on which the Special Resolution was passed in General Meeting as required under first proviso to Section 188:** 12th August, 2019.

2. Details of material contracts or arrangement or transactions at arm's length basis

During the year, the Company had not entered into any contract or arrangement or transaction with Related Parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions.

- (a) **Name(s) of the Related Party and nature of relationship:** Not Applicable

For and on behalf of the Board of Directors

Sd/-

Ram Gopal Agarwal

Chairman

DIN: 00627386

For and on behalf of the Board of Directors

Sd/-

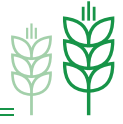
Mahendra Kumar Dhanuka

Managing Director

DIN: 00628039

Date: 22nd July, 2020

Place: Gurugram



Annexure 'F'

Secretarial Audit Report

For the financial year ended 31st March, 2020

To
The Members
Dhanuka Agritech Limited
82, Abhinash Mansion
1st Floor, Joshi Road
Karol Bagh, New Delhi-110005

In terms of the provisions of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014, and other applicable provisions, if any, we have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dhanuka Agritech Limited, a Company incorporated under the provisions of the Companies Act, 1956, vide CIN L 24219 DL 1985 PLC 020126 and having its registered office at 82, Abhinash Mansion, 1st Floor, Joshi Road, Karol Bagh, New Delhi-110005 (hereinafter referred to as "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 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 the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct

Investment, Overseas Direct Investment and External Commercial Borrowings;

- 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 SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable as the Company has not issued/ proposed to issue any Employee Stock Option Scheme and Employee Stock Purchase Scheme during the financial year under review.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (De-listing of Equity Shares) Regulations, 2009; Not applicable as the Company has not delisted/ proposed to delist its equity shares from any stock exchange during the financial year under review.
 - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998;
- vi. The Company has identified the following laws as specifically applicable to the Company.
 - a. The Insecticide Act, 1968;
 - b. The Legal Metrology Act, 2009;
 - c. The Legal Metrology (Packaged Commodities) Rules, 2011

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India notified by Central Government;
- ii. The Listing Agreements entered into by the Company with Stock Exchanges alongwith SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015;



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

We further report that

During the period under review, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the

Place: Delhi
Date: 9th June, 2020

meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

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

We further report that during the audit period, the Company has not entered into/carried out any specific events/actions which may have a major bearing on the Company's affairs.

**For R&D
Company Secretaries**

Sd/-
Debabrata Deb Nath
Partner
FCS No.: 7775; CP No. : 8612
UDIN: F007775B000328491

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
The Members
Dhanuka Agritech Limited
82, Abhinash Mansion
1st Floor, Joshi Road
Karol Bagh, New Delhi-110005

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 process 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

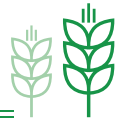
facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to 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 R&D
Company Secretaries**

Sd/-
Debabrata Deb Nath
Partner
FCS No.: 7775; CP No. : 8612

Place: Delhi
Date: 9th June, 2020



Secretarial Compliance Report of Dhanuka Agritech Ltd for the year ended 31st March, 2020

We have examined:

- (a) all the documents and records made available to us and explanation provided by Dhanuka Agritech Ltd ("the listed entity"),
(b) the filings/ submissions made by the listed entity to the stock exchanges,
(c) website of the listed entity,
(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2020 in respect of compliance with the provisions of:
(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(i) NA (other regulations as applicable)

and circulars/ guidelines issued thereunder; and based on the above examination, I/We hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

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

We further report that

During the period under review, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

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

We further report that during the audit period, the Company has not entered into/carried out any specific events/actions which may have a major bearing on the Company's affairs.

Table with 4 columns: Sr. No, Compliance Requirement (Regulations/ circulars / guidelines including specific clause), Deviations, Observations/ Remarks of the Practicing Company Secretary

NIL



- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations / remarks of the Practicing Company Secretary, if any.
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NIL

various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
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NIL

Place: Delhi
Date: 4th June, 2020

For R&D
Company Secretaries

Sd/-
Debabrata Deb Nath
Partner
FCS No.: 7775; CP No. : 8612
UDIN: F007775B000318063

Annexure 'H'

Information in accordance with the provisions of Section 197 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended 31st March, 2020

Name of Director	Nature of Directorship	Ratio to median remuneration of employees*
Mr. R.G. Agarwal	Chairman	124.99
Mr. M.K. Dhanuka	Managing Director	121.97
Mr. A.K. Dhanuka	Whole Time Director	88.65
Mr. Rahul Dhanuka	Whole Time Director	83.63
Mr. Mridul Dhanuka	Whole Time Director**	69.37
Mr. Ashish Saraf	Whole Time Director	37.12

* Median salary of employees during
FY 2019-20: Rs. 3.77 Lacs p.a.
FY 2018-19: Rs. 3.54 Lacs p.a.

**Change in designation of Mr. Mridul Dhanuka from Executive to Non-executive Director on 29th June, 2020.

All the Non-executive Directors were paid only sitting fees for attending the Board and Committee meetings. Hence, their remuneration is not comparable.

ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2019-20

Name of Director	Nature of Directorship	% Increase (decrease) in the remuneration
Mr. R.G. Agarwal	Chairman	16.64
Mr. M.K. Dhanuka	Managing Director	8.37
Mr. A.K. Dhanuka	Whole Time Director	9.12
Mr. Rahul Dhanuka	Whole Time Director	9.09
Mr. Mridul Dhanuka	Whole Time Director*	18.59
Mr. Harsh Dhanuka	Whole Time Director	Nil
Mr. Ashish Saraf	Whole Time Director	25.59
Mr. V.K. Bansal	Chief Financial Officer	16.82
Mr. Jitin Sadana**	Company Secretary	Not Applicable

*Change in designation of Mr. Mridul Dhanuka from Executive to Non-executive Director from 29th June, 2020.

**Appointed w.e.f. 13.02.2020, the percentage increase in remuneration is not applicable.

iii) The percentage increase in the median remuneration of employees in the Financial Year 2019-20: 6.50%

iv) The number of permanent employees on the rolls of Company as on 31st March, 2020: 995.

v) Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year i.e. FY 2019-20 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 in salaries of employees other than Managerial Personnel is lower than average percentile increase in the managerial remuneration. The Managerial personnel compensation is also linked to profit before TAX.

vi) The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

vii) As per Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014, Top 10 employees in terms of Remuneration drawn:

Name & Age	Designation	Remuneration p.a. (Rs. in Crore)	Qualification/ Experience	Date of Joining	Previous Employment	Percentage of shares held	Relation to any Director or Manager
Mr. Ram Gopal Agarwal (71 years)	Chairman	4.71	B.Com (Hons)/52 Years	Since incorporation	Own Business	0.73%	Brother- Mr. M.K. Dhanuka, Son- Mr. Rahul Dhanuka
Mr. Mahendra Kumar Dhanuka (66 years)	Managing Director	4.59	B.Com (Hons)/46 Years	Since Incorporation	Own Business	0.06%	Brother- Mr. R.G. Agarwal, Son- Mr. Mridul Dhanuka and Mr. Harsh Dhanuka
Mr. Arun Kumar Dhanuka (63 Years)	Director (Works)	3.34	B.Com/ 42 Years	23.05.2007	Own Business	0.08%	No Relationship
Mr. Harsh Dhanuka (37 years)	Director (Marketing)	1.39	M.B.A./ 13 Years	21.05.2019	Own Business	0.06	Father - Mr. M.K. Dhanuka Brother- Mr. Mridul Dhanuka
Mr. V.K. Bansal	Chief Financial Officer	1.24	Chartered Accountant/ 30	01.09.1990	Employment	Nil	No Relationship
Mr. Rahul Dhanuka (45 years)	Director (Marketing)	3.15	B.Sc. & M.B.A./ 22 Years	28.01.2002	Own Business	0.45%	Father- Mr. R.G. Agarwal



Name & Age	Designation	Remuneration p.a. (Rs. in Crore)	Qualification/ Experience	Date of Joining	Previous Employment	Percentage of shares held	Relation to any Director or Manager
Mr. Mridul Dhanuka (40 years)	Director (Operations)	2.61	B. Tech. & M.B.A./ 16 Years	01.04.2005	Own Business	0.06%	Father- Mr. M.K. Dhanuka Brother- Mr. Harsh Dhanuka
Mr. Partha Sengupta (54 years)	Senior General Manager	0.84	M.Sc. in Agriculture/ 28 Years	16.02.2004	Employment	Nil	No Relationship
Mr. Ankur Dhanuka (38 years)	General Manager	0.83	MBA/ 15 Years	23.05.2006	Employment	Nil	No Relationship
Mr. O.P. Singh (70 years)	President	0.82	Ph.D. Entomology/ 28 Years	01.09.2000	Employment	Nil	No Relationship

viii) As per Rule 5(3) of the Companies (Appointment and Remuneration) Rules, 2014, employees who draw salary exceeding the limit of Rs. 1.02 Crores is as follows:

There were no employees other than the followings who were in receipt of remuneration in excess of above specified limit during the year 2019-20.

Name & Age	Designation	Remuneration p.a. (Rs. in Crore)	Qualification/ Experience	Date of Joining	Previous Employment	Percentage of shares held	Relation to any Director or Manager
Mr. Ram Gopal Agarwal (71 years)	Chairman	4.71	B.Com (Hons)/52 Years	Since incorporation	Own Business	0.73%	Brother- Mr. M.K. Dhanuka, Son - Mr. Rahul Dhanuka
Mr. Mahendra Kumar Dhanuka (66 years)	Managing Director	4.59	B.Com (Hons)/46 Years	Since Incorporation	Own Business	0.06%	Brother- Mr. R.G. Agarwal, Son - Mr. Mridul Dhanuka and Mr. Harsh Dhanuka
Mr. Arun Kumar Dhanuka (63 Years)	Director (Works)	3.34	B.Com/ 42 Years	23.05.2007	Own Business	0.08%	No Relationship
Mr. Rahul Dhanuka (45 years)	Director (Marketing)	3.15	B.Sc & M.B.A./ 22 Years	28.01.2002	Own Business	0.45%	Father - Mr. R.G. Agarwal
Mr. Mridul Dhanuka (40 years)	Director (Operations)	2.61	B. Tech. & M.B.A./ 16 Years	01.04.2005	Own Business	0.06%	Father - Mr. M.K. Dhanuka Brother- Mr. Harsh Dhanuka
Mr. Harsh Dhanuka (37 years)	Director (Marketing)	1.39	M.B.A./ 13 Years	21.05.2019	Own Business	0.06	Father - Mr. M.K. Dhanuka Brother- Mr. Mridul Dhanuka
Mr. V.K. Bansal (56 years)	Chief Financial Officer	1.24	Chartered Accountant	01.09.1990	Employment	NIL	No Relationship

Risk Identification, Assessment & Mitigation Document

Risk is the uncertainty associated with the outcome of an event, depending on factors influencing it. Risk is inherent in every form of enterprise and different risks have different impact on business. Risk in Agricultural-inputs Sector is considered to be relatively high, due to the dependency on Environmental factors.

Risk Management

Risk Management is a pro-active approach towards better control and management of an organization. It comprises risk identification, assessment and mitigation. The first step is to identify all relevant risks - internal and external. The next step is to assess the probable impact of the risks on the business - high, medium or low. Finally, the Management has to decide its response strategy to manage each risk and take appropriate action.

A formal Risk Management process and its periodic review help in establishing a culture that results in better business and risk management. It puts Management in a better position to determine the best course of action to mitigate the risks.

Objectives of Risk Mitigation Plan

The objectives of risk mitigation plan are to decide risk response strategies for the various risk items which have been identified and assessed during the risk analysis, to enable appropriate

action in the right direction to manage risk.

The following three key questions can be posed while planning risk mitigation measures:

1. What options are available and which ones are appropriate for us in current scenario?
2. What are the tradeoffs in terms of costs, benefits and risks among the available options?
3. What shall be the future impact of current decisions? Risk Response Strategy

A well-defined risk response strategy can help to avoid or reduce the identified risks.

A risk may be:

- Unidentified, unmanaged or ignored (by default).
- Recognized, but no action taken (absorbed as a matter of policy).
- Avoided (by taking appropriate steps).
- Reduced (by an alternative approach).
- Transferred (to others through contract or insurance).
- Retained and absorbed (by prudent strategy).
- Handled by a combination of the above.

A. INTERNAL RISK FACTORS: Internal risks are those which are essentially within the Company's control. We have attempted to cover all relevant internal risks falling under the 7 M's of Management: Man, Money, Machine, Material, Method, Management, Measurement.

S. NO.	CATEGORY	INTERNAL RISK FACTORS	RISK ASSESSMENT: LIKELIHOOD/ IMPACT	RISK RESPONSE STRATEGY	RESPONSE ACTIONS
1	Man	Miss-handling of hazardous chemical and poisonous substances in the manufacturing process	L: Low I: High	Risk Reduction	Adequate training and safety measures.
2	Money	Exposure to Foreign Exchange rate fluctuation	L: Medium I: Medium	Risk Transference	Partly covering Forex exposure by taking forward contracts, futures, options and cost reduction structures including.
					Cancellation and re-bookings at appropriate times by the Company officials as may be authorized by the Board or Banking, Finance & Operations Committee of the Company and Comply with applicable laws disclosure policies &



					<p>norms and reporting of transactions etc. Frequent reviews and Statutory audit, including internal checks and controls.</p> <p>The Company has also appointed consultant to guide the Company to mitigate risk to minimum possible level.</p>
3	Money/ Machine	Fixed Assets	L: Low I: Low	Risk Transference	Insurance coverage.
4	Material	Development of resistance by pests to Company' s products in the long term rendering them ineffective	L: Low I: Low	Risk Reduction	Introduction of new products and tie-ups with International manufacturers of molecules.
5	Material	Dependence on Strategic collaborations for supply of technical	L: Low I: High	Risk Retention	<p>Maintaining amiable relations and a win-win approach towards existing collaborators and exploring new possibilities through two-pronged approach:</p> <p>a) widening of existing collaborations by adding new products.</p> <p>b) exploring opportunities for collaborating with more Companies.</p>
6	Material	Increase in raw-material prices	L: Medium I: Low	Risk Reduction	Prices are mutually decided with suppliers, upfront at beginning of each fiscal for tie-up products with MNCs.
7	Method	Indiscriminate/ Faulty use of the products by farmers	L: Low I: Medium	Risk Reduction	Dhanuka's Doctors and field staff train and educate farmers.
8	Method	Inadequacy of documented plans, policies and process flows, business contingency plan	L: Low I: Low	Risk Reduction	The Company has appointed consultant to streamline this category of Risk.
9	Management	Dependence on Key Management Team– Attrition Management, back-ups and Succession planning	L: Low I: Medium	Risk Reduction	Training and development of next level are being undertaken.
10	Measurement	Inaccuracy o f forecasts, Inventory & Logistic mismanagement could result in unexpected reduction in sales due to stock-outs or surplus of stocks, wastages, theft, pilferage	L: Low I: High	Risk Reduction	Proper planning & controls are being implemented through professional advice.

B. EXTERNAL RISK FACTORS: External risks refer to risks external to the business itself and are largely beyond the Company's control. We have attempted to cover all relevant External risks as per PEST Analysis: Political/Legal, Economic, Social and Technological. In addition, Environmental factor has also been incorporated, as it has a major impact on our Industry.

S. N O.	CATEGORY	EXTERNAL RISK FACTORS	RISK ASSESSMENT	RISK RESPONSE STRATEGY	RESPONSE ACTIONS
1	Environment	Environmental conditions beyond the control of the Company like floods, droughts, monsoons, etc. can adversely affect operations of the Company	L: Medium I: High	Risk retention	Usually, rain is not evenly spread out over the country. Hence, even if rains are scarce in one territory, the sales in other territories, which have better rainfall averages out the shortfall in sales.
2	Environment	Considering seasonality of the Company's business, sales may be low during off- season	L: Medium I: Medium	Risk reduction	Efforts are made to ensure availability of adequate stocks during peak season, to maximize sales, so that the total turnover meets targeted sales.
3	Social	Sales of the Company are to a large extent dependent on the overall area under cultivation and the cropping pattern adopted by the farming community in India; increasing urbanization	L: Low I: Low	Risk reduction	Products are being introduced which increase productivity per hectare. Some new products which directly increase productivity are Dhanvarsha, Dhanzyme, Dhanzyme Gold, Maxyld. Also, there are new products which indirectly increase productivity by protecting seeds from soil and seed borne diseases e.g. Vitavax power, Vitavax FF.
4	Social	Increasing influence of NGO's / media wrt organic foods, side-effects of pesticides on health and environment	L: Low I: Low	Risk reduction	Educating people about the increasing food needs of an increasing population and extent of side-effects of pesticides usage. Also environment- friendly, new low- dosage, but high- efficacy products are introduced to minimize damage to health & environment. For instance, if 500 gm/ acre weedicide was being used earlier, now only 8 gm/ acre is being used because of advanced chemistry products.
5	Technological	Competition from other established Companies and future entrants into the Industry, both domestic and international, development of new molecules	L: Medium I: Medium	Risk reduction	Continuous exploration & strategic collaborations with International Companies for new technologically advanced and more effective products.
6	Economic	General State of the Economy & Industry	L: Medium I: Medium	Risk absorption	India is an agriculture dominated economy, where 58% of population is dependent on agriculture for livelihood and ours is an agri-inputs Company. Also, the Company has started to explore new markets through exports.
7	Economic	Farmers' incomes and Minimum Support Prices	L: Low I: Low	Risk absorption	Farmers' incomes and Minimum Support Prices are increasing, which is beneficial to our industry.
8	Political/Legal	Failure to comply with/ changes in stringent quality norms prescribed by the Government, environmental & other laws/ regulations/ Policies/ litigation	L: Medium I: Medium	Risk reduction	All due steps are taken to ensure timely Compliances.
9	Political / Legal	Changes in Government Policies relating to hazardous Industries	L: Medium I: High	Risk reduction	The Company has commenced production at its plant in Chemical Zone in Keshwana, Rajasthan.



REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Dhanuka's governance framework is driven by the objective of enhancing long term stakeholders' value without compromising on ethical standards and Corporate Social Responsibilities. Efficient Corporate Governance requires a clear understanding of the respective roles of the Board of Directors ("Board") and of the Senior Management and their relationships with others in the Corporate Structure. Sincerity, fairness, good citizenship and commitment to compliance are key characteristics that drive relationships of the Board and Senior Management with other stakeholders.

Dhanuka's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, committed to value creation by taking principle Business decisions. Good Corporate Governance results in enhancement of Shareholders' value and enables the Company to meet its obligations towards all stakeholders with integrity, equity, transparency, fairness, disclosure, accountability and commitment.

This includes its Corporate Structure and the manner in which it deals with various stakeholders. At Dhanuka, it is imperative that our Corporate Affairs are managed in a fair and transparent manner which in turn brings trust, faith and belief in the system. Therefore, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of our Corporate Governance.

Dhanuka believes in adopting the 'Best Practices' that are followed in the area of Corporate Governance across the Industry to ensure fiscal accountability and ethical corporate behavior, in addition to meeting the legal requirements. At Dhanuka, the Board is at the core of our Corporate Governance Practice and considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth.

Dhanuka is in compliance with the requirements of the revised guidelines on Corporate Governance stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

II. BOARD OF DIRECTORS

(a) Composition and Category of Directors:

The Board has an optimum combination of Executive, Non-Executive and Woman Director. As at March 31, 2020,

Board comprises total 14 Directors out of which Seven are Non-Executive Independent Directors (including one Woman Director) and Seven Executive Directors. Out of the Seven Executive Directors, one is the Executive Chairman and one is Managing Director. All the Seven Non-Executive Directors are Independent Directors free from any business or other relationship that could materially influence their judgement. All the Independent Directors satisfy the criteria of Independence as defined under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Mr. Indresh Narain, Independent Director, vacated his office with effect from 20th May, 2020, pursuant to the provision of Section 167(1)(b) of the Companies Act, 2013, as he remained absent from all the Board meetings held during last 12 months.

The Board of Directors has approved the change in designation of Mr. Mridul Dhanuka from Executive Director to Non-Executive Director with effect from 29th June, 2020. From 29th June, 2020, Mr. Mridul Dhanuka will not be entitled to salary and other benefits mentioned in Agreement dated 24th May, 2016 entered between Mr. Mridul Dhanuka and the Company, however, he will continue to receive Commission within a maximum limit of @1% of the total Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013, subject to approval of Shareholders in the ensuing Annual General Meeting.

Further, Your Board has appointed Mr. Siraj Azmat Chaudhry as an Additional Director under the category of Independent Director of the Company with effect from 22nd July, 2020, and he shall hold office upto the date of ensuing Annual General Meeting. The Board has requested the Shareholders to approve the appointment of Mr. Siraj Azmat Chaudhry, in the ensuing Annual General Meeting, as a non- retiring Independent Director of the Company for a period of 5 (Five) consecutive years with effect from 22nd July, 2020.

Further, your Board has recommended to Shareholders of the Company in ensuing Annual General Meeting the re-appointment of Mr. Sachin Kumar Bhartiya, as an Independent Director of the Company for Second Term of 5 (Five) consecutive years from 9th February, 2021 to 8th February, 2026 (both days inclusive).

(b) Other Directorships and Committee Memberships:

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on Company's Board is a Director in more than 10 Public Limited

Companies (including "Dhanuka Agritech Limited") or is a Member of more than 10 Board Committees (Committees being the Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than 5 Board Committees as on 31st March, 2020.

(I) Attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting

S. No.	Name of the Directors	Category	No. of Board Meetings during FY 2019-20		Attendance at last AGM held on 12 th August, 2019	Directorship in Public Limited Companies as on 31.03.2020	Membership of Committees (excluding Chairmanship) as on 31.03.2020	Chairmanship of Committees as on 31.03.2020
			Held	Attended				
1	Mr. Ram Gopal Agarwal DIN: 00627386	Executive (Promoter) Non-Independent	4	4	Present	2	0	0
2.	Mr. Mahendra Kumar Dhanuka DIN: 00628039	Executive (Promoter) Non-Independent	4	4	Present	2	1	0
3.	Mr. Arun Kumar Dhanuka DIN: 00627425	Executive (Promoter) Non-Independent	4	4	Present	3	1	0
4.	Mr. Rahul Dhanuka DIN: 00150140	Executive (Promoter) Non-Independent	4	3	Absent	2	1	0
5.	Mr. Mridul Dhanuka # DIN: 00199441	Non Executive (Promoter) Non-Independent	4	3	Present	3	0	0
6.	Mr. Ashish Saraf DIN: 07767324	Executive Non Independent	4	4	Present	1	0	0
7.	Mr. Harsh Dhanuka DIN: 00199516	Executive (Promoter) Non-Independent	4	4	Present	1	0	0
8.	Mr. Indresh Narain* DIN: 00501297	Non-Executive Independent	4	0	Present	1	1	1
9.	Mr. Priya Brat DIN: 00041859	Non-Executive Independent	4	3	Present	3	2	2
10.	Mr. Sachin Kumar Bhartiya DIN: 02122147	Non-Executive Independent	4	2	Absent	3	1	0
11.	Mr. Vinod Kumar Jain DIN: 01185937	Non-Executive Independent	4	4	Absent	1	1	0



12.	Mr. Sanjay Saxena DIN: 01257965	Non-Executive Independent	4	2	Present	1	1	0
13.	Mr. Bajrang Lal Bajaj DIN: 00041909	Non-Executive Independent	4	3	Absent	2	0	0
14.	Ms. Namrata Gupta DIN: 08358673	Non-Executive Independent	4	4	Absent	1	1	0
15.	Mr. Siraj Azmat Chaudhry## DIN: 00161853	Non-Executive Independent	NA	NA	NA	NA	NA	NA

*The designation of Mr. Mridul Dhanuka has been changed from Executive Director to Non-Executive Director with effect from 29th June, 2020.

*Mr. Indresh Narain vacated office with effect from 20th May, 2020 as he remained absent from all the Board meetings held during last 12 months.

**Mr. Siraj Azmat Chaudhry has been appointed as an Additional Director (Independent Category) with effect from 22nd July, 2020.

Note:

1. Directorship, Committee Membership/ Chairmanship is inclusive of "Dhanuka Agritech Limited".
2. Only Audit Committee and Stakeholders' Relationship Committee are considered.
3. Directorships do not include Directorships of Private Limited Companies, LLP and Companies incorporated under Section 8 of the Companies Act, 2013.

(ii) Listed Entities where the Directors hold other Directorships in the Company other than Dhanuka Agritech Limited

S. No.	Name of the Directors	Name of Other Listed Entities	Category of Directorship
1	Mr. R.G. Agarwal	1. M/s. Orchid Pharma Limited	1. Non-Executive Director
2	Mr. Arun Kumar Dhanuka	1. M/s. Orchid Pharma Limited	1. Non-Executive Director
3	Mr. Mridul Dhanuka #	1. M/s. Orchid Pharma Limited	1. Executive Director
4	Mr. Priya Brat	1. M/s. Dhampur Sugar Mills Limited 2. M/s. South Asian Enterprises Limited	1. Independent Director 2. Independent Director
5	Mr. Sachin Kumar Bhartiya	1. M/s. Stylam Industries Limited	1. Independent Director (nominee)
6	Mr. Siraj Azmat Chaudhry	1. TATA Coffee Limited 2. TATA Consumer Products Limited	1. Independent Director 2. Independent Director

#Mr. Mridul Dhanuka has been appointed as an Executive Director on the board of M/s Orchid Pharma Limited on 29th June, 2020.

Note: No other Director is holding Directorship in any other Listed Entity.

(c) Board Meetings held during the Financial Year 2019-20:

During the Financial Year, Four Board meetings were held and the time gap between any of the two Meetings was not more than one hundred and twenty days. The Board Meetings were held on 21st May, 2019; 19th July, 2019; 8th November, 2019 and 13th February, 2020.

During the year, a separate meeting of the Independent Directors was held on 13th February, 2020, to review the performance of the Non-Independent Directors, Chairman of the Board, Committees of the Board and the Board as a whole.

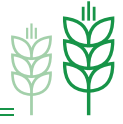
(d) Disclosure of Relationship of Directors Inter-se:

Mr. Ram Gopal Agarwal, Chairman and Mr. Mahendra Kumar Dhanuka, Managing Director are brothers.

Mr. Rahul Dhanuka, Director-Marketing is son of Mr. R.G. Agarwal, Chairman.

Mr. Mridul Dhanuka, is son of Mr. Mahendra Kumar Dhanuka, Managing Director and Brother of Mr. Harsh Dhanuka.

Mr. Arun Kumar Dhanuka is cousin Brother of Mr. Ram Gopal Agarwal and Mr. Mahendra Kumar Dhanuka.



Mr. Harsh Dhanuka, is son of Mr. Mahendra Kumar Dhanuka, Managing Director and Brother of Mr. Mridul Dhanuka.

No other Director has any relationship inter se.

(e) Number of Shares and convertible instruments held by Non-Executive Directors:

Mr. Indresh Narain, Non-Executive Independent Director is holding 800 equity shares in the Company. He vacated office with effect from 20th May, 2020 as he remained absent from all the Board meetings held during last 12 months.

Further, Mr. Mridul Dhanuka, Non-Executive Non Independent Director is holding 28,665 equity shares in the Company. His designation has been changed from Executive to Non-executive Director of the Company w.e.f. 29th June, 2020.

No other Non-Executive Director holds any shares of the Company.

(f) Functioning of the Board and its Meetings:

The Board and its Committees meet at regular intervals for discussion on Agenda circulated well in advance by the Company. All material information is incorporated in the Agenda for facilitating meaningful and focused discussion at the meeting. Where it is not practical to attach or send the relevant information as a part of agenda papers, the same are tabled at the Meeting. To meet business exigencies, resolutions in respect of urgent matters are passed by Banking, Finance & Operations Committee and also by the Directors by Circulation.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. The Board reviewed compliance reports prepared by the Company on quarterly basis.

(g) Presentation by the Management:

The Senior Management of the Company is invited at the meetings to make presentations to the Board, covering Financial Reports, Marketing update, operations of the businesses of the Company, Budgets, Auditor's Observations, Strategy and Business Plans, New Product Launch, CSR update and to provide clarifications as and when necessary.

(h) Access to Employees:

The Directors bring an independent perspective on the issues deliberated by the Board. They have complete and unfettered access to any information of the Company and to

any employee of the Company.

(i) Re-appointment of the Directors:

The information/ details pertaining to Directors seeking re-appointment in the ensuing Annual General Meeting (AGM), is provided in the Notice of the AGM. The Notice contains the relevant information, like brief resume of the Directors, nature of their expertise in specific functional areas and names of the Companies in which they hold Directorship and membership of any Committee of the Board.

(j) Information Flow to the Board:

Information is provided to the Board Members on a continuous and regular basis for their review, suggestions and approvals as and when required. More specifically, Annual Strategic and Operating Plans of our business are presented to the Board for their review, inputs and approval. Likewise, Quarterly Financial Statements and Annual Audited Financial Statements are first presented to the Audit Committee and subsequently to the Board for their approval. Detailed presentation on general working of the Company and material developments is made before the Board by Mr. Mahendra Kumar Dhanuka, Managing Director of the Company in every Board Meeting. Detailed presentation about Financial Highlights, Trends, Ratios etc. is made to the Board by Mr. V.K. Bansal, Chief Financial Officer of the Company at every Board Meeting.

In addition, Corporate Laws update, important managerial decisions, material positive/ negative developments and statutory matters are presented to the respective Committees of the Board and later with the recommendation of such Committees to the Board for their approval. Detailed Agenda for the Board and Committee Meetings along with supporting documents are circulated well in advance to all the Directors to enable them to fully participate in Meetings and provide their suggestions/ inputs and simultaneously to address their queries. Information pertaining to compliance status of all applicable Laws along with recent amendments is provided to the Board from time to time.

(k) Familiarization Programme and Training for Independent Directors:

The Company regularly provides orientation and business overview to its Directors by way of detailed presentations by various business & functional heads at Board Meetings and through other interactive programmes. Such Meetings/ programmes include briefings on the culture, values, business model of the Company, the roles and responsibilities of the Directors and Senior Executives. Besides this, the Directors are regularly updated about



Company's new projects, R&D initiatives, Product Launch, Litigation update, changes in regulatory environment and strategic direction. The Board members are also provided relevant documents, reports and internal policies to facilitate familiarisation with the Company's procedures and practices, from time to time.

At the time of Appointment, the Company conducts Familiarization Programme for an Independent Director by conducting Meetings with key officials such as Chairman, Managing Director, Chief Financial Officer, Company Secretary and other Senior Business Leaders. During the Meeting, presentations are made on the roles and responsibilities, duties and obligations of the Board Members, Company's business and strategy, financial reporting, governance and compliances and other related matters. Details regarding familiarization programme are available on the Company's website i.e., www.dhanuka.com under "Investors- about Board of Directors" Section.

(l) Code of Conduct for the Board and Senior Management:

The Company has received affirmations from the Board Members as well as Senior Management confirming their compliance with the earlier Code for Financial Year 2019-20 and also confirmation for adherence to Code for Financial Year 2020-21. An Annual Declaration signed by the Chief Executive Officer (Managing Director) and Chief Financial Officer (CFO) to this effect forms part of this Report. The Code is available on the website of the Company i.e., www.dhanuka.com under the "Investors-about Board of Directors" Section.

(m) Code For Prevention of Trading by Designated Persons:

The Company has Revised Code for Prevention of Insider Trading in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013 (as amended from time to time).

The Company has also Revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for Prevention of Insider Trading in line with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of

Insider Trading) Regulations, 2015 and the Companies Act, 2013 and referred to as the "Fair Disclosure Code".

The Trading Window is closed prior to the Board Meeting at which Unpublished Price Sensitive Information is discussed and re-opens after the Public Announcement of this information by the Company, in accordance with the Code. The Company observes a silent period when the Trading Window is closed.

The procedure for dissemination of Unpublished Price Sensitive Information is complied by the Chief Investors Relations Officer and Authorized Spokespersons, as stated in the Fair Disclosure Code.

(n) Succession Planning for the Board and Senior Management:

• **Board of Directors**

The Nomination and Remuneration Committee (NRC) of the Board, shall identify suitable person for appointment at Board level including from the existing Top Management. The NRC shall apply due diligence process to determine competency of person(s) being considered for appointment or re-appointment as a Director including Managing Director/ Whole time Directors of the Company in accordance with the provisions of the Nomination and Remuneration Policy of the Company and the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

• **Senior Management**

The Managing Director/ Executive Director(s) are empowered to identify, appoint and remove Senior Management Personnel in accordance with the provisions of the Remuneration Policy and Succession Planning, and keeping in view the organization's mission, vision, values, goals and objectives.

A chart or a matrix setting out the skills/expertise/competence of the Board of Directors specifying the following:

(i) List of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board.

Name of the Directors	Qualification	Experience	Competencies
<p>Mr. Ram Gopal Agarwal Chairman</p> <p>Executive- Non Independent</p>	<ul style="list-style-type: none"> ❖ B.Com (Hons) - Sri Ram College of Commerce, Delhi University. ❖ Chairman of Sub-Committee (Crop Protection Chemical) of FICCI ❖ Chairman of Advisory Committee Crop Life India ❖ Member of Agro Chemical Federation of India. 	52 Years	<p>He has a distinguished corporate career of more than 52 years. He is a decisive and action oriented visionary who took over a sick pesticide Company named M/s. Northern Mineral Pvt. Ltd. in 1980 to transform it into 1000 Crores plus Organization called M/s. Dhanuka Agritech Ltd. His deep commitment and inspiring leadership in initial turbulent days is an example worth inculcating. His passion to contribute to Indian Agriculture is commendable. His ability to prioritize and deal effectively with a number of tasks simultaneously reinforced with the skills to make effective decisions, has metamorphosed the business venture into one of the fastest growing Agrochemical Company in India which is rated thrice as 'Best under a Billion Company' by Forbes magazine. His rich and invaluable experience of over last Five decades in Agrochemical Industry has contributed immensely to the growth of the Company and added much needed expertise to the Board. He mentors and gives strategic direction to the team. In order to achieve his aspiration of "Transforming India through Agriculture" he has dedicated himself to bring changes in Agrochemicals Industry and the farming community. His contribution for adopting newer farming techniques at the grass root level, judicious use of Agro Chemicals in farming and imparting knowledge through his nationwide network of distributors and Dhanuka Doctors in field has resulted in the overall prosperity of farmers. Shri RG Agarwal has been the past Chairman of CCFI, (Crop Care Federation of India) the apex Chamber of all Indian Agrochemical majors. He is also Chairman Advisory Committee of AGRO Chemicals Federation of India. Shri RG Agarwal, Group Chairman, has been bestowed with many Awards for his tremendous contribution in Agro Industry like "Life Time Achievement Award" by Agri Business Summit & Agri Awards 2019, "Distinguished Contribution to Indian Agrochemicals Industry" during India Chem 2016 International Conference organised by FICCI etc. He is also associated with some of the highly recognized establishments of the country as Chairman, Sub-Committee (Crop Protection Chemicals) of Federation of Indian Chambers of Commerce and Industry (FICCI), Chairman Advisory Committee Crop Life India & Member of Agro Chemical Federation of India.</p>
<p>Mr. Mahendra Kumar Dhanuka Managing Director</p> <p>Executive- Non Independent</p>	<ul style="list-style-type: none"> ❖ B.Com (Hons) -Sri Ram College of Commerce, Delhi University. 	46 Years	<p>He has been working as Managing Director of Dhanuka since its incorporation. He is an eminent personality and has a vast and rich experience of 46 years in the Agrochemicals Industry. He is proficient in the Corporate Affairs and his keen insight and judgment bring excellence in the functioning of the Company, its Board and Committees. He has deep commitments towards the achievement of organizational goals and has also played a key role in introducing principles of Corporate Governance in the functioning of the Company. His foresight and business acumen have helped the Company achieve its goals.</p>



Name of the Directors	Qualification	Experience	Competencies
			Acting as a member of Audit Committee, he is excellently handling all the Financial Transactions of the Company as well as maintaining tremendous control over minimizing frauds and malpractices in the Company. In his supervision Company has become debt free and there are no Long term borrowings in the Company.
Mr. Arun Kumar Dhanuka Executive- Non Independent Director	❖ B.Com- Delhi University.	42 Years	He has a distinguished corporate career of 42 years. He was responsible for overall operations of Gurgaon Factory. After shifting of manufacturing operations of Gurgaon Factory w.e.f. 9 th January, 2018, he is taking care of Sanand Factory Operations. With his innovative ideas, able leadership and utmost sincerity, he has raised the Company to new heights of success.
Mr. Rahul Dhanuka Director (Marketing) Executive- Non Independent	❖ Master in Business Administration-S.P. Jain Institute of Management & Research.	22 Years	He has a distinguished Corporate career of more than 22 years. Being Director Marketing, he has tremendously contributed in taking sales to new heights. Company has Pan India presence and around 7000 distributors. Due to his excellent Marketing Management Skills, the Company has been able to penetrate the interiors of rural India. He has been instrumental in bringing new systems and policies in the organization, implementation of ERP and for strategic business relationships with all the collaborators. As a member of Stakeholders' Relationship Committee of the Company he takes keen interest in ensuring that no effort is spared to maintain good stakeholders' relationship and to address grievances speedily.
Mr. Mridul Dhanuka Director (Operations) *Non-executive- Non Independent	❖ B. Tech (Chemical Engineering)- Pune University, ❖ MBA-NITIE, Mumbai.	16 Years	He has a distinguished corporate career of 16 years. He has been associated with Dhanuka since 2005. His technical expertise has supported to enlarge the product base of Dhanuka. He helped the Company in smoothening the production, procurement and logistic functions and established quality control. His new initiatives include improving the efficiency and functioning of the Company and thus improving the profitability. As Director Operations he is instrumental in driving various initiatives with the support of senior leadership teams to achieve the set milestones of the organization. Under his exuberant personality and ambitious leadership the Company was able to expand its production facilities, setting up a state of art world class manufacturing facility at Keshwana. He was responsible to successfully realigning the entire supply chain vertical from procurement to sales. He has successfully improved the efficiency and productivity of all the manufacturing facilities of Dhanuka thereby making a positive contribution in the profitability of the Company. Continuing the legacy, presently he is leading major projects of the organization bringing Dhanuka closer to its aspiration of <i>"Transforming India through Agriculture"</i> . <i>*The designation of Mr. Mridul Dhanuka has been changed from Executive Director to Non-Executive Director with effect from 29th June, 2020.</i>

Name of the Directors	Qualification	Experience	Competencies
Mr. Priya Brat- Non-Executive Independent Director	<ul style="list-style-type: none"> ❖ M.Sc (Hons)-Physics; ❖ Fellow Member- Indian Institute of Bankers ❖ Diploma (International Finance)- Development Management Institute, Geneva ❖ Diploma (Banking, Finance and Accountancy)-The Indian Institute of Bankers, Mumbai. 	51 Years	He has distinguished career in the State Bank of India and headed various important assignments related to Industrial Credit, Forex Management, Project Appraisal, Loan Syndication and Merchant Banking. Mr. Brat has been associated with Dhanuka for more than 16 years and plays very vital role in effective functioning of the Board and has made commendable suggestions from time to time. Being from Banking background and having rich experience of financial sector, Mr. Brat is heading Audit Committee and Nomination and Remuneration Committee of the Company as Chairman and has been instrumental in maintaining high standards of accuracy and efficiency in all financial transactions, Audit, internal controls etc.
Mr. Indresh Narain Non-Executive Independent Director	<ul style="list-style-type: none"> ❖ Bachelor of Arts (Hons)- AIB London. 	41 Years	<p>Mr. Indresh Narain has rich experience of 41 years in Banking and has retired as Head of Compliance and Legal, HSBC Group. He was earlier Director on the Boards of Cholamandalam Investment & Finance Limited, Intex Technologies Limited, Mindteck (India) Ltd., PineBridge Investments Trustee Company (India) Private Limited and member of the Board of Governors of the Indian Public Schools Society, Dehra Dun, and its Hony Treasurer.</p> <p>He was responsibly acting as member of the Audit Committee and ensured the Audit Committee effectively performing its functions as per charter entrusted to it. Being Chairman of the Stakeholders' Relationship Committee and Member of Corporate Social Responsibility Committee, he ensured that Shareholders' grievances, requests etc. are addressed in a proper and timely manner and that minority interests are protected.</p> <p><i>Mr. Narain vacated office with effect from 20th May, 2020 as he remained absent from all the Board meetings held during 12 months.</i></p>
Mr. Sachin Kumar Bhartiya Non-Executive - Independent Director	<ul style="list-style-type: none"> ❖ Fellow Chartered Accountant; ❖ B.Com- University of Calcutta. 	19 Years	<p>He is a Partner at Lighthouse Funds, an India dedicated mid-market focused private equity fund. At Lighthouse, Mr. Sachin leads agri and consumer verticals and presently sits on the Boards of Bikaji Foods (one of the largest ethnic snacks Companies in India), Indian Herbs (the largest herbal medicine and feed supplement Company in India mainly focusing on cattle and poultry), Stylam Industries (premium laminates maker), and Capital Trust Ltd (lending to MSME enterprises).</p> <p>He was also involved in Fund's investments in Shaily Engineering (plastic product Company), Unibic Biscuits (premium cookies Company) and Suraksha Diagnostics (eastern India focused diagnostics chain) and held Board positions there.</p>
Mr. Vinod Kumar Jain Non-Executive Independent Director	<ul style="list-style-type: none"> ❖ B.Com -Sri Ram college of Commerce, Delhi University. 	46 Years	<p>Having rich and multifaceted experience of more than 46 years. With his innovative ideas and skills, he has taken his business of cotton yarn to new heights. He is also Secretary of Cotton Yarn Merchant Association. He has added value to the Company's systems by giving his valuable suggestions and recommendations to the Board in critical areas. He is also acting as member of the Audit Committee and provides his valuable suggestions relating to Business operations of the Company as well as Financial matters.</p>



Name of the Directors	Qualification	Experience	Competencies
Mr. Ashish Saraf Executive Director- Non Independent	<ul style="list-style-type: none"> ❖ B.Com- Shaheed Bhagat Singh College, Delhi University. 	26 Years	<p>He is having distinguished Corporate career of 26 years. He was associated in past with M/s. Narayan International, New Delhi, (International Trade & Consultancy) as a Chief Executive Officer (CEO) and M/s. Mauria Udyog Ltd. (Terry Towel) as a Chief Coordinating Officer (CCO). He has been associated with Dhanuka for the past 4 years and efficiently handling CSR and HR activities of the Company.</p>
Mr. Harsh Dhanuka Executive Non-Independent	<ul style="list-style-type: none"> ❖ MBA- Monash Graduate Business School, Monash University, Melbourne, Australia. 	13 Years	<p>He has been associated as Vice President –Marketing in the past and associated with Dhanuka for past 13 years. He is instrumental in driving many key initiatives under various facets of the Company directly impacting its Sales. He has a BBA degree specializing in Marketing and HR and a Masters Degree in International Business from Monash University, Melbourne, Australia.</p> <p>He undertook training in various departments of the Company like Accounts, Finance, HR and R&D, before moving to Sales Division where he spent more than 7 years. He handled various roles in sales division such as Sales Manager, Regional Manager and Zonal Manager, before moving into his current role.</p> <p>Mr. Harsh is responsible for all International Relationships of Dhanuka and working for getting new patented products and technologies for the benefit of Indian farmers. He has initiated and pioneered the Sales Excellence department which is now key function for performance management of Sales Department and supports in Farmer outreach. He is also working to expand Dhanuka's business by tying up with Indian Corporates and other Institutional Customers to add a new Revenue stream for the Company.</p>
Mr. Sanjay Saxena Non-Executive Independent Director	<ul style="list-style-type: none"> ❖ Cost and Management Accountant-Institute of Cost & Management Accountants of India (ICMA) ❖ B.Com- Delhi University ❖ PG Diploma (Urban Management and Planning with distinction) Institute for Housing and Urban Development Studies (IHS), Erasmus University, Rotterdam, The Netherlands ❖ Diploma in Advance Software Application - Computers Point, New Delhi. 	26 Years	<p>Having 26 years of experience of international working as development sector consultant. Areas–Governance, e-Governance, Public Financial Management (PFM) and Monitoring & Evaluation (M&E). He has applied this subject matter expertise across a range of diverse sectors such as Urban Development, Tourism Development, Rural Development, Infrastructure Development, Water and Sanitation, Skills Development, Education, Health, etc. He has also worked on over a hundred development sector projects in over 23 Countries, and also worked over the last 13 years, on numerous donor funded projects, where his scope of work ranged from providing technical inputs for initial project design and program planning, to implementation support and monitoring, to post-implementation review.</p> <p>Mr. Saxena has been associated with Dhanuka for the past two years. He is member of the Stakeholders' Relationship Committee and Nomination and Remuneration Committee. His diversified experience has proved very beneficial for the Board and he has made valuable suggestion on various operational, financial matters. As a member of the Stakeholders' Relationship Committee, he ensures that transfer/ transmission/ demat/ remat requests are speedily addressed by the Company/ RTA.</p> <p>After the vacation of office of Mr. Indresh Narain, Mr. Sanjay Saxena has been appointed as Chairman of the Stakeholders' Relationship Committee in the Board Meeting held on 10th June, 2020.</p>

Name of the Directors	Qualification	Experience	Competencies
<p>Ms. Namrata Gupta</p> <p>Non-Executive Independent Director</p>	<ul style="list-style-type: none"> ❖ M.Com- Kurukshetra University ❖ M.A.-Psychology ❖ PGD-(Psychological Counselling) and M. Phil- (Organisational Behaviour) -Institute of Psychotherapy and Management Sciences ❖ Member- International Association for Counselling (IAC) 	11 Years	<p>She is having over 11 years of experience in Relationship Counselling, Master practitioner of Neuro Linguistic programme and also worked with people individually and in groups and helped them develop a strong positive self-image, improve communication and resolve conflicts.</p> <p>After the vacation of office of Mr. Indresh Narain, Ms. Namrata Gupta has been appointed as Member of the Stakeholders' Relationship Committee at the Board Meeting held on 10th June, 2020.</p>
<p>Mr. Bajrang Lal Bajaj</p> <p>Non-Executive Independent Director</p>	<ul style="list-style-type: none"> ❖ Fellow Chartered Accountant (Rank Holder) ❖ Fellow Company Secretary (Gold Medalist) ❖ Fellow Member of Indian Management Association <p>Association with the Chambers of Commerce & Industry (Present/Past)</p> <ul style="list-style-type: none"> ❖ FICCI- Industry Committee ❖ FICCI- Finance and Banking Committee ❖ FICCI- Foreign trade Committee <p>Several Committees of PHDCCI</p>	21 Years	<p>He is having over 21 years of rich experience in Corporate Finance, Cross Border Business Development, M&A & General Management. Offers advisory services as MD of M/s. Dynamic Orbits Consultancy to Indian as well as global corporate looking for mergers/acquisitions/JVs and cross border business development.</p> <p>Industry Experience- Automobiles, Chemicals, Power, Textile, IT, Services, International Business and Investment Banking. Handled functions like-Strategy, Business Development, Operations and CEO position.</p> <p>After the vacation of office of Mr. Indresh Narain, Mr. Bajrang Lal Bajaj has been appointed as Member of CSR Committee at the Board Meeting held on 10th June, 2020.</p>
<p>Mr. Siraj Azmat Chaudhry</p> <p>Non-Executive Independent Director</p>	<ul style="list-style-type: none"> ❖ MBA from the Indian Institute of Foreign Trade (IIFT) ❖ Graduate from Shri Ram College of Commerce, University of Delhi 	32 Years	<p>He is an industry expert, thought leader and innovator in the agriculture and food industry. He is a key voice on issue concerning agriculture, food safety and nutrition and has worked extensively with industry, the social sector and the Government on related projects.</p> <p>Mr. Siraj has over 32 years of experience in building, turning around, acquiring, and divesting businesses.</p>



Name of the Directors	Qualification	Experience	Competencies
	<p>Association with the Chambers of Commerce & Industry (Present/Past)</p> <ul style="list-style-type: none"> ❖ Present Co Chairman – FICCI Committee on Agriculture ❖ Past Chairman of the National Committee on Food Processing at FICCI ❖ Past President of Food Industry Skill Council under NSDC 		<p>Presently he is Managing Director & CEO of National Collateral Management Services Limited and also serves as an Independent Directors on the Boards of Tata Consumer Products Limited and Tata Coffee Limited. Before this Mr. Siraj was the Chairman of Cargill India, the Indian arm of Cargill Inc, where he pioneered edible oil fortification as a practice, recognised by Fortune Magazine as a Change The World activity.</p> <p>He is currently Co Chairman – FICCI Committee on Agriculture. He has also been the Past Chairman of the National Committee on Food Processing at FICCI and National Committee on Food Processing at FICCI and the National Alliance for Edible Oil Fortification, a joint initiative by CII and GAIN to address malnutrition through food fortification.</p> <p>He has also been past President of the Food Industry Skill Council under the NSDC. He has chaired the Agriculture and Food Committee at American Chambers of Commerce and as also the Agriculture and Food Committee of USIBC in India.</p> <p>Mr. Siraj is an eminent industry spokesperson and is a sought after key note speaker at prestigious events organized by FICCI, CII, IIM and other entities.</p> <p>Appointed as an Additional Director (Independent Category) w.e.f. 22nd July, 2020.</p>

Expertise/ Skills of Directors

S. No.	Name of Director	Expertise / Skills
1	Mr. Ram Gopal Agarwal	Wide Management and Leadership Experience, Functional and Managerial Experience, Diversity and Personal Values, Education and Research, Social Reforms and betterment of the nation in areas of Trade and Industry and Decision Making.
2	Mr. Mahendra Kumar Dhanuka	Wide Management and Leadership Experience, Business Development, Finance and Banking matters, standardization of systems and processes across the organization, Corporate Governance, Investor Relation, Supply Chain and Decision Making.
3	Mr. Arun Kumar Dhanuka	Administrative reforms and strategy, New Technologies and Innovations, Finance and Banking matters.
4	Mr. Rahul Dhanuka	Strategic Marketing, Brand transformation, Business development and spearheading new projects, IT reforms, Human Resources and Decision Making.
5	Mr. Mridul Dhanuka*	Standardization of systems and processes across the organization, Contract Drafting & Negotiations, Litigation Management Dispute Resolution, M&A Statutory Compliances and Intellectual Property Rights (IPR) etc.
6	Mr. Harsh Dhanuka	Technical planning and foreign alliances, Technology matters and Business Administration, Supply Chain, Corporate Quality and Safety Functions and Spreading New Projects.
7	Mr. Ashish Saraf	Human Resources, Supply Chain and Business Administration.
8	Mr. Priya Brat	Finance and allied fields, Contract Drafting and Negotiations, Litigation Management Dispute Resolution and Finance and Banking Matters.
9	Mr. Sachin Kumar Bhartiya	Strategic private equity investment and Business Management, Investment Banking, Corporate Advisory and Project Appraisal.

S. No.	Name of Director	Expertise / Skills
10	Mr. Vinod Kumar Jain	Business development, Human Resource and Supply Chain Management.
11	Mr. Bajrang Lal Bajaj	Corporate Governance, Banking and Finance matter, Capital Market Activity and Investor Relation.
12	Mr. Sanjay Saxena	IT reforms, Human Resources, Education and Research and Social Reforms.
13	Ms. Namrata Gupta	Human Resources, Advanced Management and Skill Development.
14	Mr. Indresh Narain**	Investor Relations, Contract Drafting and Negotiations, Litigation Management Dispute Resolution, M&A Statutory Compliances.
15	Mr. Siraj Azmat Chaudhry	Wide Management and Leadership experience, Technical planning, Business development and spreading new projects.

*The Designation of Mr. Mridul Dhanuka has been changed from Executive Director to Non-Executive Director with effect from 29th June, 2020.

**Mr. Indresh Narain vacated office with effect from 20th May, 2020 as he remained absent from all the Board Meetings held during last 12 months.

(ii) Confirmation that in the opinion of the Board, the Independent Directors fulfil the conditions specified in these Regulations and are Independent of the Management.

The Board has given its confirmation stating that all the Independent Directors fulfil all the conditions specified in the Listing Regulations and are Independent of the Management. All the Independent Directors have also given confirmation stating that they meet the Criteria of Independence.

(iii) Detailed reasons for the Resignation of an Independent Director who resigns before the expiry of his tenure along with a confirmation by such Director that there are no other material reasons other than those provided.

No Director other than Mr. Indresh Narain has vacated the office pursuant to Section 167(1)(b) of the Companies Act, 2013 as he remained absent from all the Board meetings held during 12 months.

(iv) Changes among Directors:

There being no changes among the Board of Directors of the Company, except the following:-

Name of Director	Effective Date	Change
Mr. Indresh Narain	20 th May, 2020	Vacation of office of Director as he remained absent from all the Board meetings held during last 12 months from the date of last Board Meeting he attended.
Mr. Mridul Dhanuka	29 th June, 2020	Change in designation from Executive Director to Non-Executive Director*.
Mr. Siraj Azmat Chaudhry	22 nd July, 2020	Appointed as an Additional Director (Independent Category) **.

*Change in designation of Mr. Mridul Dhanuka is recommended for members' approval at the ensuing AGM.

** Appointment of Mr. Siraj Azmat Chaudhry is recommended for members' approval at the ensuing AGM for First Term of 5 (Five) consecutive years.

(o) Re-appointment of Directors Proposed at upcoming AGM:

❖ Following Directors are liable to retire by rotation and are eligible for re-appointment at the forthcoming AGM:

1. Mr. Ram Gopal Agarwal
2. Mr. Mridul Dhanuka

Brief resume, nature of expertise in specific functional areas, Directorships and Membership of the Board Committees of all the proposed appointees/ re-appointees are given in the Explanatory Statement attached to the Notice of 35th AGM of the Company.

(P) Committees of the Board of Directors:

The Board Committees play a crucial role in the Governance structure of the Company and have been assigned specific areas/activities which need closer review. They are set up under the formal approval of the Board, to carry out their clearly defined roles.

Currently, the Board has the following Committees(s):

- Audit Committee
- Nomination and Remuneration Committee



- Stakeholders' Relationship Committee
- Banking, Finance and Operations Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Buyback Committee

➤ **Audit Committee:**

The Audit Committee of the Company is constituted in line with the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and the Rules notified by the Central Government in this regard. The Board decides the Membership and terms of reference of the Audit Committee within the framework laid down by SEBI. Four Meetings of the Committee were held during the year on 21st May, 2019; 19th July, 2019; 8th November, 2019 and 13th February, 2020. The necessary quorum was present during all the Meetings.

Terms of Reference:

- 1) Recommend to the Board the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors, including filling of a casual vacancy, fixation of audit fee/ remuneration, terms of appointment and also provide prior approval of the appointment of and the fees for any other services rendered by the Statutory Auditors. The Committee will recommend to the Board, the name of the audit firm who may replace the incumbent auditor on the expiry of their term.
- 2) To review and monitor the information provided by the audit firm relating to the independence of such firm and among other things, information relating to the non-audit services provided and expected to be provided by the Statutory Auditors.
- 3) Review with the Statutory Auditors their plans for and the scope of their annual audit and other examinations.
- 4) Discuss with the Statutory Auditors the matters required to be discussed for the conduct of the audit.
- 5) Review and examination with the Statutory Auditors the proposed Report on the annual audit, areas of concern and the accompanying management letter.
- 6) Review and examination of the Company's financial Reporting process and the disclosure of its financial information to ensure that the Financial Statements are accurate, sufficient and credible and evaluation of internal financial controls and risk management systems.
- 7) The Audit Committee will review with appropriate officers of the Company and the Statutory Auditors, the annual Financial Statements of the Company prior to submission to the Board or public release thereof, focusing primarily on:
 - ❖ Matters required to be included in the Directors' Responsibility Statement
 - ❖ In the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013;
 - ❖ Any changes in accounting policies and practices and reasons for the same.
 - ❖ Major accounting entries based on exercise of judgment.
 - ❖ Qualifications in draft Audit Report.
 - ❖ Significant adjustments made in the Financial Statements arising out of audit.
 - ❖ The going concern assumption.
 - ❖ Compliance with accounting standards.
 - ❖ Compliance with Listing and other legal requirements concerning Financial Statements.
 - ❖ Disclosure of Related Party Transactions, i.e. transactions of the Company with its subsidiaries, promoters or the management, or their relatives, etc. that may have conflict with the interest of the Company at large.
 - ❖ Contingent liabilities.
 - ❖ Status of litigations by or against the Company.
 - ❖ Claims against the Company and their effect on the accounts.
 - ❖ Modified opinion(s) in the draft audit report;
- 8) Reviewing with the Management, the annual/quarterly/interim Financial Statements before recommending to the Board for approval.
- 9) Review with the management the performance of the Internal Auditors and the existence, adequacy and effective functioning of the internal control systems including internal control system over financial reporting.
- 10) Oversight of the Company's Financial Reporting process and the disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible.
- 11) Review the adequacy of the Internal Audit function, including the structure of the Internal Audit department, adequate staffing and the qualifications, experience, authority and autonomy of the person heading the department, the Reporting structure, coverage and frequency of Internal Audit.
- 12) Review with the senior Internal Audit executive and appropriate members of the staff of the Internal Audit department

- ❖ The plans and the scope of their ongoing audit activities.
 - ❖ The periodic Reports of the findings of the audit Reports and the necessary follow up.
 - ❖ Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of the internal control system of a material nature and ensure that proper corrective action is taken.
 - ❖ The adequacy of the Company's internal financial controls as defined in Section 134 of the Companies Act, 2013.
- 13) Direct access to Chairman of the Audit Committee under Vigil mechanism/Whistle Blower Policy of the Company to provide adequate safeguards against victimization of all persons.
- 14) Review such other matters in relation to the accounting, auditing and financial Reporting practices and procedures of the Company as the Committee may, in its own discretion, deem desirable in connection with the review functions described above.
- 15) Report its activities to the Board in such manner and at such times, as it deems appropriate.
- 16) Authority to investigate any matter in relation to the items specified in Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose; it will have full access to the information contained in the records of the Company. It may also investigate any activity within its term of reference. It has the authority to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (for non-payment of declared dividends) and creditors, if any and any other instance of a failure of legal compliance.
- 17) The Committee may seek information from any employee and may obtain from external independent sources any legal or other professional advice it considers necessary in the performance of its duties. It may also secure attendance of independent professional persons with suitable qualifications and relevant experience in specific matters, if it considers this necessary.
- 18) Approval for appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc.
- 19) Review and monitor, with the management, the statement of uses/ application of funds raised through an issue (public, rights preferential issue etc.) the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the Report submitted by the monitoring agency monitoring the utilization of proceeds of the public issue or rights issue, and make appropriate recommendations to the Board.
- 20) Review of Other Informations:
- ❖ Management Discussion and Analysis of financial condition and results of operation.
 - ❖ Statement of Related Party Transactions submitted by the Management.
 - ❖ Internal Audit Reports relating to internal control weaknesses.
 - ❖ Inter-corporate loans and investments.
 - ❖ The appointment, removal and terms of remuneration of the Chief Internal Auditor.
 - ❖ Valuation of undertakings and assets of the Company, whenever necessary
- 21) Omnibus approval for Related Party Transactions.
- 22) Review and approval of all Related Party Transactions.
- 23) The Chairman of the Audit Committee will attend the Annual General Meetings of the Company and provide clarifications on matters relating to its scope sought by the members of the Company.
- 24) The Committee will review the Financial Statements, in particular the inter-corporate loans and investments made by or in the Subsidiary Companies.
- 25) In case the Auditor has sufficient reason to believe that an offence involving fraud is being or has been committed against the Company by employees of the Company or by the Company, the Auditor will forward his Report to the Committee and the Committee will send its reply or observations to the Auditor and such matters will be reported to the Board by the Committee. The Statutory Auditors of the Company shall have a right to be heard in the Audit Committee Meetings and they will participate in discussions related to the audit and review of the annual Financial Statements of the Company and any other matter that in the opinion of the Statutory Auditors needs to be brought to the notice of the Committee or any matter in which they are invited by the Committee to participate.
- 26) The Committee will take into consideration the qualifications and experience of the person proposed for appointment as the Cost Auditor and recommend such appointment to the Board, together with the remuneration to be paid to the Cost Auditor.
- 27) The Committee will carry out all other duties, as may be prescribed by Listing Agreement with Stock Exchanges, Companies Act, 2013, Rules made thereunder and all other applicable laws.
- 28) To review the utilization of loans and/ or advances from/ investment by the Company in the subsidiary exceeding



rupees 100 Crore or 10% of the asset size of the Subsidiary, whichever is lower including existing loans/ advances/ investments existing as on 1st April, 2020.

29) To review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) at least once in a financial year and to verify that the

systems for internal control are adequate and are operating effectively.

30) To Review the Report presented by Compliance officer with regard to compliance of Internal Code of Conduct of the Company to Regulate, Monitor and Report Trading by Designated Persons.

Composition and Attendance

Name	Designation and Category	Meeting(s) Held during Tenure	Meetings Attended
Mr. Priya Brat	Chairman - Non-Executive Independent	4	3
Mr. Mahendra Kumar Dhanuka	Member - Executive Non Independent	4	4
Mr. Vinod Kumar Jain	Member - Non-Executive Independent	4	4
Mr. Sachin Kumar Bhartiya	Member - Non-Executive Independent	4	3
Mr. Indresh Narain (Uptill 20 th May, 2020)	Member - Non-Executive Independent	4	0

Company Secretary being secretary to the Committee attended all the Meetings.

All the members of Audit Committee are financially literate and Mr. Priya Brat, Chairman of the Committee, has expertise in finance.

Reporting of Internal Auditors: The Internal Auditors of the Company attend Meetings of Audit Committee on a regular basis and findings of internal audits as well as action taken thereon are reported directly to the Audit Committee.

► Nomination and Remuneration Committee:

The Nomination and Remuneration Committee formulates the criteria for remuneration of Directors, Senior Management and

Key Managerial Personnel and after evaluation recommends the same to the Board of Directors. This Committee also evaluates performance of Independent Directors and the Board of Directors from time to time based upon descriptive performance evaluation forms. Non Independent Directors conduct detailed evaluation of performance of Independent Directors based upon pre filled questionnaire setting out expectations from Independent Directors and their actual performance on same. During the year ended 31st March, 2020, two meetings of the Committee were held on 21st May, 2020 and 13th February, 2020. The necessary quorum was present during both the Meetings.

Constitution and Attendance:

Name	Designation and Category	Meeting(s) Held during Tenure	Meetings Attended
Mr. Priya Brat	Chairman- Non-Executive Independent	2	2
Mr. Sachin Kumar Bhartiya	Member- Non-Executive Independent	2	1
Mr. Sanjay Saxena	Member- Non-Executive Independent	2	2

*Company Secretary of the Company being Secretary to the Committee attended all the Meetings.

Terms of Reference:

- (1) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance;
- (2) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- (3) To Formulate criteria for performance evaluation of Independent Directors and the Board;
- (4) Devise a Policy on Board diversity;
- (5) Evaluate whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- (6) Recommend to the Board, all remunerations, in whatever form, payable to Senior Management.
- (7) Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time;
- (8) Any other matter, as may be required by the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any other law for the time being in force or as directed by the Board of Directors.

REMUNERATION POLICY

The Company's Remuneration Policy represents the overarching approach of the Company to the remuneration of Directors and Senior Management. The objective of the Company's Remuneration Policy is to ensure that all employees, including Executive Directors and Key Managerial Personnel are sufficiently incentivized for enhanced performance. The Nomination and Remuneration Committee takes into account various factors to determine this Policy and to amend it from time to time. The Policy ensures that due regard is given to the Company's financials and interest of Shareholders and that levels of remuneration are sufficient to attract and retain exceptional employees who can take the Company forward.

Within the terms of agreed Policy, the Company determines the individual remuneration package for all its employees giving due weightage to the Corporate and individual performance including their experience, educational and professional qualifications. Both variable and fixed components of the remuneration packages are set as per the market practices followed in India and our industry. Total remuneration will comprise:

- a) Basic Salary to perform day to day operations.
- b) Variable pay payable to Sales team on achievement of prescribed targets on Specialty and Lifeline products.
- c) Sales Incentives payable to Sales team as per the incentive Policy of the Company devised to motivate its sales employees to **"Sell More, Earn More"**.
- d) A performance linked incentive for non-sales team based on the corporate performance, departmental achievements and individual contribution.
- e) Relevant long term employee benefits – Provident Fund, Gratuity, Superannuation etc. are paid in accordance with the applicable laws.
- f) Commission and Perquisites are provided to Executive Directors and Senior Executives as per the market practices.
- g) Business tools like car/driver/laptops/phones, etc. are provided, as per Company Policy.

Remuneration policy of the Company is available at its website i.e., www.dhanuka.com under investors - Corporate Governance section.

❖ Remuneration Paid to All Non-executive Directors during the FY 2019-20

S. No.	Name of the Directors	Sitting Fee (In Rs.)
1.	Mr. Priya Brat	1,90,000
2.	Mr. Vinod Kumar Jain	2,00,000
3.	Mr. Indresh Narain	40,000
4.	Mr. Sanjay Saxena	1,20,000
5.	Mr. Sachin Kumar Bhartiya	1,40,000
6.	Ms. Namrata Gupta	1,20,000
7.	Mr. Bajrang Lal Bajaj	90,000

The Executive Directors are not paid any Sitting Fees. The Non-Executive Directors were paid sitting fees of Rs. 30,000/- for each Board Meeting attended and Rs. 20,000/- for each Committee Meeting attended during the Financial Year 2019-20.

Further, the Board of Directors in its meeting held on 13th February, 2020, has approved further increase in the sitting fee payable to Non-Executive Directors for attending the Board Meetings from Rs. 30,000/- (Rupees Thirty Thousand only) to Rs. 40,000/- (Rupees Forty Thousand only) effective from Financial Year 2020-21. The said limit is within the permissible limit prescribed under the Companies Act, 2013 and rules made thereunder.



❖ **Remuneration Paid to All Executive Directors during the FY 2019-20.**

As per the remuneration policy, the remuneration paid to Executive Directors is recommended by the NRC and approved by the Board, subject to subsequent approval by shareholders at the General Meeting and such other

authorities, as the case may be. The remuneration is arrived at after considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company.

(₹ In Lacs)

S. No.	Name of the Directors	Salary and Allowances	Commission	Superannuation	P.F.	Total
1.	Mr. Ram Gopal Agarwal Chairman	225.47	229.92	-	15.84	471.23
2.	Mr. Mahendra Kumar Dhanuka Managing Director	214.79	229.92	-	15.12	459.83
3.	Mr. Arun Kumar Dhanuka Whole time Director	93.15	229.92	-	11.16	334.23
4.	Mr. Rahul Dhanuka Whole time Director	75.15	229.92	1.20	9.00	315.27
5.	Mr. Mridul Dhanuka Non-executive Director *	72.15	179.54	1.20	8.64	261.53
6.	Mr. Harsh Dhanuka Whole time Director	51.99	80.77	1.04	6.13	139.93
7.	Mr. Ashish Saraf Whole time Director	20.77	-	-	0.56	21.33

*The designation of Mr. Mridul Dhanuka has been changed from Executive Director to Non-Executive Director with effect from 29th June, 2020.

❖ **Details of Equity Shares Held by Directors as on 31st March, 2020**

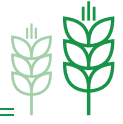
Name of the Directors	Number of Equity Shares
Mr. Ram Gopal Agarwal	349148
Mr. Rahul Dhanuka	212958
Mr. Mahendra Kumar Dhanuka	28665
Mr. Indresh Narain*	800
Mr. Mridul Dhanuka**	28665
Mr. Arun Kumar Dhanuka	37906
Mr. Harsh Dhanuka	28665

The Company has not issued any ADR/GDR/Warrants/ any kind of convertible Securities or Employee Stock Option.

*Mr. Indresh Narain, Non-executive Independent Director Vacated the office w.e.f. 20th May, 2020.

**Change in designation of Mr. Mridul Dhanuka from Executive to Non-Executive Director w.e.f. 29th June, 2020.

None of the Non-Executive Directors hold any Equity Shares of the Company, except Mr. Indresh Narain, who holds 800 (Eight Hundred) Equity Shares and Mr. Mridul Dhanuka, who holds 28,665 (Twenty Eight Thousand Six Hundred and Sixty Five) Equity Shares.



► **Stakeholders' Relationship Committee:**

During the Financial Year 2019-20, Two Stakeholders' Relationship Committee Meetings were held on 11th June, 2019; 29th August, 2019.

The necessary quorum was present during all the Meetings.

Constitution and Attendance:

Name	Designation and Category	Meeting(s) Held during Tenure	Meetings Attended
Mr. Indresh Narain (Uptill 20 th May, 2020)	Chairman - Non-Executive Independent	2	2
Mr. Rahul Dhanuka	Member - Executive Non Independent	2	1
Mr. Sanjay Saxena (Appointed Chairman w.e.f 10 th June, 2020)	Member - Non-Executive Independent	2	1
Mr. Harsh Dhanuka (Appointed Member w.e.f 13 th February, 2020)	Member - Executive Non Independent	0	0
Ms. Namrata Gupta (Appointed Member w.e.f 10 th June, 2020)	Member - Non-Executive Independent	NA	NA

Company Secretary of the Company being Secretary to the Committee attended all the Meetings.

Terms of Reference:

- (1) Review for the timely redressal of investors' complaints and to consider measures in the larger interest of investors;
- (2) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, General Meetings etc.;
- (3) Review of measures taken for effective exercise of voting rights by shareholders;
- (4) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- (5) Review of 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.

Number of Shareholders Complaints received: During the Financial Year 2019-20, the Company has received 49 (Forty Nine) correspondences and Nil Complaints directly and 22 (Twenty Two) correspondences were received by RTA and nil complaint from the Shareholders. At the end of the Financial Year no complaint was pending and all were resolved.

► **Banking, Finance and Operations Committee:**

During the Financial Year 2019-20, Ten (10) Meetings of the Banking, Finance and Operations Committee of the Board of Directors were held on:

15th April, 2019; 14th May, 2019; 21st May, 2019; 5th July, 2019; 18th July, 2019; 26th August, 2019; 4th November, 2019; 7th December, 2019; 7th January, 2020 and 6th February, 2020.

The necessary quorum was present during all the Meetings.

Name, designation and address of Compliance Officer:

Mr. Jitin Sadana, Company Secretary/ Compliance Officer

Dhanuka Agritech Limited (CIN:L24219DL1985PLC020126)
14th Floor, Building 5A, DLF Epitome,
DLF Phase III, Cyber City, Gurugram,
Haryana – 122 002



Constitution and Attendance:

Name	Designation and Category	Meeting(s) Held during Tenure	Meetings Attended
Mr. Ram Gopal Agarwal	Chairman-Executive Non Independent	10	8
Mr. Mahendra Kumar Dhanuka	Member- Executive Non Independent	10	10
Mr. Arun Kumar Dhanuka	Member- Executive Non Independent	10	10
Mr. Rahul Dhanuka	Member- Executive Non Independent	10	4
Mr. Mridul Dhanuka#	Member- Non-executive Non Independent	10	5

Company Secretary of the Company being Secretary to the Committee attended all the Meetings.

#The designation of Mr. Mridul Dhanuka has been changed from Executive Director to Non-Executive Director with effect from 29th June, 2020.

Terms of Reference:

- (1) Approval for opening/closing bank accounts, including modification of authorities for operating them;
- (2) Approval of all borrowings, including those from banks/financial institutions etc., including availing ad-hoc funds for working capital purpose, accepting sanction of loans and giving security for the same;
- (3) Approval for investing surplus funds of the Company;
- (4) Approval for applying for licenses, registrations, etc. to all Central and State Government departments, to deal with and represent the Company before various Regulatory Authorities, to initiate and defend legal proceedings, by/against the Company, to execute Power of Attorney;
- (5) Approval for acceptance of security deposits in the routine course of business of the Company for the performance of contract for supply of goods;
- (6) Approval for financing Bank guarantees;

- (7) Any other activity relating to aforesaid matters subject to all applicable laws including power to delegate such of its functions, from time to time, as may be considered necessary.

► Corporate Social Responsibility Committee:

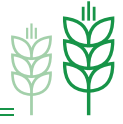
Keeping in view the requirements of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted the Corporate Social Responsibility Committee ("CSR Committee") in its Meeting held on 6th February, 2014.

During the Financial Year 2019-20, CSR Committee Meeting was held on 13th February, 2020. All the members were present in the Meeting except Mr. Indresh Narain. The Committee comprises Mr. Arun Kumar Dhanuka, Mr. Indresh Narain, as Members and Mr. Ram Gopal Agarwal as its Chairman.

Constitution and Attendance:

Name	Designation and Category	Meeting(s) Held during Tenure	Meetings Attended
Mr. Ram Gopal Agarwal	Chairman- Executive, Non Independent	1	1
Mr. Arun Kumar Dhanuka	Member- Executive, Non Independent	1	1
Mr. Indresh Narain (Vacated office w.e.f. 20 th May, 2020)	Member- Non Executive, Independent	1	0
Mr. Bajrang Lal Bajaj w.e.f. 10 th June, 2020	Member- Non Executive, Independent	NA	NA

Company Secretary of the Company being Secretary to the Committee attended the Meeting.



Terms of Reference:

- Formulate and recommend to the Board, a Corporate Social Responsibility ("CSR") Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on CSR activities; and
- Monitor the CSR Policy of the Company from time-to-time.

The Company is involved in various CSR activities.

The objective of CSR Policy is to lay down guidelines to bring effectiveness in its CSR activities which are being undertaken to assist in the sustainable development of the society. The Company strives to actively contribute to the social and economic development of the communities in which it operates. The Company believes in making sustained efforts towards promoting education and health care; eradicating hunger, poverty and malnutrition; conservation of water, deployment of water for agriculture and human use.

The thrust is on training and educating farmers and dealers and transfer of technology to improve food production. The Company's CSR efforts have been to conserve **"Gaon ka paani gaon mein, aur khet ka paani, khet mein"** and will continue its CSR activities in this direction.

The Company undertakes CSR activities that aim at improving the lives of agricultural and rural community holistically. The Company's CSR Policy is available on the Company's website and other details about CSR spend are part of Directors' Report.

► Risk Management Committee:

Keeping in view the provision of Clause 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 500 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous Financial Year, shall constitute a Risk Management Committee, wherein majority of members shall consist of members of the Board of Directors. This Committee shall meet atleast once in a year. The Board shall define the role and responsibility of Risk Management Committee and may delegate monitoring and reviewing of the Risk Management Plan to the Committee.

As per NSE and BSE data, the Company has ranked at 449 and 457 with Market Cap of Rs. 1547.25 Crores and Rs. 1539.63 Crores at the last trading date of preceding financial year i.e. 31st March, 2020.

The Committee comprises of Mr. Rahul Dhanuka as Chair person and Mr. Harsh Dhanuka and Mr. Vinod Kumar Bansal, as Members.

Company Secretary of the Company shall act as Secretary to the Committee.

Terms of Reference:

- Formulate, monitor and review risk management policy and plan, inter-alia, covering investment of surplus funds, management of foreign exchange risks, cyber security risks.
- Approve addition/ deletion of banks and other financial intermediaries and recognized exchanges from time to time for carrying out Treasury Transactions and delegate the said power to such person as may be deemed fit.
- Carry out any other function as is referred by the Board from time to time or required under the relevant provisions of applicable laws, regulations and various circulars issued by the regulatory authorities, from time to time.

► Buyback Committee:

The Buyback Committee has been constituted by the Board of Directors in their Meeting held on 22nd July, 2020 for operational ease in the matter of Buyback of Equity Shares of the Company.

The Buyback Committee comprises of 5 (Five) Members namely Mr. Ram Gopal Agarwal, Mr. Mahendra Kumar Dhanuka, Mr. Rahul Dhanuka, Mr. Harsh Dhanuka and Mr. Vinod Kumar Bansal.



III.GENERAL BODY MEETINGS/ POSTAL BALLOT:

The details of date, venue and time of the last three Annual General Meetings, Extra-ordinary General Meeting, Court Convened Meetings held and Special Resolutions passed are as under:

34th ANNUAL GENERAL MEETING (2018-19) – 12th August, 2019 at 10:30 AM

Venue: “D Imperia Hotel”, 417, M.G. Road, Ghitorni, New Delhi- 110 030

Special Resolutions Passed-

1. Re-appointment of Mr. Mahendra Kumar Dhanuka (DIN: 00628039) as Managing Director of the Company;
2. Appointment of Mr. Harsh Dhanuka (DIN: 00199516) as Whole time Director of the Company;
3. Revision in terms and conditions of Agreement with M/s. Dhanuka Marketing Company;
4. Borrowing Limits of the Company;
5. Creation of Security(ies) for Borrowings;

SPECIAL RESOLUTION PASSED VIA POSTAL BALLOT- 20th December, 2018

1. Approval for Buy-Back of Equity Shares of the Company;
2. Continuation of appointment of Mr. Ram Gopal Agarwal as Whole time Director of the Company even after attaining age of 70 years and to consider and approve his remuneration in terms of SEBI Amended Regulations;
3. Approval of remuneration to Mr. Mahendra Kumar Dhanuka as Whole time Director of the Company in terms of regulation 17(6)(e) of SEBI Amended Regulations for the remaining tenure of his appointment;
4. Approval of remuneration to Mr. Rahul Dhanuka as Whole time Director of the Company in terms of regulation 17(6)(e) of SEBI Amended Regulations for the remaining tenure of his appointment;
5. Approval of remuneration to Mr. Mridul Dhanuka as Whole time Director of the Company in terms of regulation 17(6)(e) of SEBI Amended Regulations for the remaining tenure of his appointment;
6. Approval of remuneration to Mr. Arun Kumar Dhanuka as Whole time Director of the Company in terms of regulation 17(6)(e) of SEBI Amended Regulations for the remaining tenure of his appointment;
7. Continuation of Directorship of Mr. Priya Brat (Non-Executive Director) for current term expiring on 19th May, 2019 and Second Term starting from 20th May, 2019 notwithstanding that he has attained the age of 75 Years;
8. Continuation of Directorship of Mr. Om Prakash Khetan (Non-Executive Director) for current term expiring on 19th May, 2019 and Second Term starting from 20th May, 2019 notwithstanding that he has attained the age of 75 Years;
9. Continuation of Directorship of Mr. Indresh Narain (Non-Executive Director), for Second Term starting from 20th May, 2019 notwithstanding that he has attained the age of 75 Years.

PERSON WHO CONDUCTED THE POSTAL BALLOT

Ms. Pragnya Parimita Pradhan, Practicing Company Secretary from Pragnya Pradhan & Associates acted as scrutinizer to Postal ballot Process. The Process was conducted via Remote e-voting as well as physical Postal ballot.

33rd ANNUAL GENERAL MEETING (2017-18) – 10th August, 2018 at 10:30 AM

Venue: Mapple Emerald Hotel, Rajokri, National Highway-8, New Delhi -110 038

Special Resolutions Passed-7

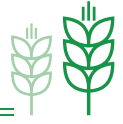
1. Re-appoint Mr. Arun Kumar Dhanuka as Whole time Director;
2. Re-appoint Mr. Priya Brat, as an Independent Director for Second Term;
3. Re-appoint Mr. Vinod Kumar Jain as an Independent Director for Second Term;
4. Re-appoint Mr. Indresh Narain as an Independent Director for Second Term;
5. Re-appoint Mrs. Asha Mundra as an Independent Director for Second Term;
6. Re-appoint Mr. Om Prakash Khetan as an Independent Director for Second Term;
7. Loan u/s 185 to M/s Dhanuka Laboratories Limited

32nd ANNUAL GENERAL MEETING (2016-17) – 10th August, 2017 at 11:00 AM

Venue: Mapple Emerald Hotel, Rajokri, National Highway-8, New Delhi -110 038

Special Resolutions Passed-Nil

The Company offered E-voting facility to its Members pursuant to the provisions of the Companies Act, 2013 as an alternate voting mechanism which enabled them to cast their votes electronically.



IV. MEANS OF COMMUNICATION:

Results: Unaudited Standalone as well as Consolidated Quarterly as well as Annual Audited Financial Results of the Company are approved and taken on record by the Board of Directors of the Company within 45 days (for I, II, III quarter)/ and in extended period as per SEBI Circular No. EBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19th March, 2020 for IV quarter from the end of quarter. The Approved Results are communicated to Stock Exchanges where Company is listed and also published within 48 hours in Financial Express i.e. English Newspaper and Jansatta i.e. Hindi leading Newspaper (except for the IV quarter). Further, results are also posted on the website of the Company. For the quarter and year ended on 31st March, 2020, the results were not published in any Newspaper, pursuant to relaxation given vide SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020.

- a) **Website:** The Company's website (www.dhanuka.com) provides comprehensive information on Company's profile, its business lines, Management, Corporate Governance, news releases etc. An exclusive section is dedicated to Investors, where all information related to quarterly/yearly results, Annual Report, Quarterly filing, Share /Dividend Transfer Details to IEPF etc. are pasted from time to time. It provides all the information as prescribed under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Public Announcements made by the Company from time to time are also displayed on the Company's website. Corporate Presentations made to the Institutional Investors and analysts after the declaration of the quarterly, half-yearly and Annual Audited Financial Results are also displayed on the Company's website (www.Dhanuka.com).
- b) **Annual Report:** Annual Report containing, inter alia Consolidated & Standalone Financial Statements, Cash Flow Statement, Auditor's Report, Directors' Report, Notice of Annual General Meeting and other important information is circulated to Members and others entitled thereto. In accordance with the Green initiatives of the MCA, all important communication to shareholders including the Annual Reports are sent via e-mail to those Shareholders, whose e-mail id is registered with the Depository Participants. As per MCA General Circular No. 20/2020 issued on 5th May, 2020, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board's report, Auditor's Report or other documents required to be attached therewith), such statements shall be sent only by email to the members and to all other person so entitled. Therefore, the Company will not dispatch the physical copy of Annual Report. The Annual Report of the Company is also available on the Company's website in a user-friendly and downloadable form.

- c) Management Discussion and Analysis (MDA) Report: The Report on MDA forms part of the Annual Report.
- d) Intimation to the Stock Exchanges: All Price Sensitive information and material events are disclosed to the Stock Exchange(s), in accordance with its Materiality Policy on disclosure of Material Events.

The objective of the Materiality Policy is to ensure timely and adequate disclosure of material events and price sensitive information under Regulations 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Company. All such disclosures are signed by the Chairman or Managing Director or Compliance Officer. This information is also pasted on the website of the Company.

V. GENERAL SHAREHOLDERS' INFORMATION:

- a) **35th Annual General Meeting for the Financial Year ended 31st March, 2020**

Day & Date: Tuesday, 15th September, 2020

Time: 11 A.M.

Via video Conferencing/ Other Audio Video Means

- b) **Date of Book Closure:** Saturday 5th September, 2020 to Tuesday, 15th September, 2020.
- c) **Financial Year:** 1st April, 2019 to 31st March, 2020
- d) **Last date for receipt of proxy forms:** In terms of the relaxations granted by the MCA, the facility for appointment of proxies by member will not be available for the ensuing AGM.
- e) **Dividend**

Dividend Transferred:

Interim Dividend @600% i.e. Rs. 12/- per Equity Share for each Equity Share having a Face Value of Rs. 2/- each for the FY 2019-20. The total outgo on this account was Rs. 68.84 Crores (approx.) inclusive of Corporate Dividend Tax of Rs. 11.74 Crores. The Board in its meeting held on 10th June, 2020 has decided that Interim Dividend shall be treated as Final Dividend for the Year 2019-20.

f) **Transfer to Investor Education and Protection Fund (IEPF):**

During the Financial Year under review, the Company has transferred unpaid/ unclaimed dividend, amounting to Rs. 8,48,166/- (Rupees Eight Lakhs Forty Eight Thousand One Hundred and Sixty Six only) for the financial year 2011-12 and Interim Dividend for FY 2012-13 amounting to Rs. 5,90,553/- (Rupees Five Lakhs Ninety Thousand Five Hundred and Fifty Three only) to the Investor Education and Protection Fund (IEPF) of the Central Government of India.



Due Dates for Transfer of Unclaimed Dividend to Investors Education and Protection Fund (IEPF)

Pursuant to Section 124 of the Companies Act, 2013, Final Dividend for the Financial Year 2012-13 and Interim Dividend for 2013-14, which remained unpaid/ unclaimed for a period of Seven Years from the date of such transfer shall be transferred by the Company to the Investors Education and Protection Fund (IEPF) of the Central Government. The Dividend for following years (see table below), which remains unclaimed for Seven years from the date of such transfer in the Unpaid Dividend Account, will be transferred to the IEPF in accordance with the schedule

given below. Shareholders who have not en-cashed their Dividend warrants relating to the Dividends specified below are requested to immediately send their request for issue of duplicate warrants/payment of Unpaid Dividend. The details of Dividends specified below are available on the website of the Company www.Dhanuka.com. Once Unclaimed Dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company. However, shareholders may claim their unclaimed amount as per the procedures/guidelines issued by the Ministry of Corporate Affairs (MCA). For details, investors can visit the website of IEPF Authority viz. www.iepf.gov.in.

Due Date for Transfer of Unpaid/ Unclaimed Dividend to IEPF

S. No.	Financial Year	Type of Dividend	Date of declaration	Percentage	Unpaid Dividend Balance as on 31.03.2020(Amount in Rs.)	Tentative Date for Transfer
1	2012-13	Final	12.08.2013	65%	459673.50	27.09.2020
2	2013-14	Interim	06.02.2014	100%	690672.00	15.03.2021
3	2013-14	Final	17.09.2014	100%	623318.00	23.10.2021
4	2014-15	Final	29.12.2015	225%	1433205.00	04.02.2023
5	2015-16	Interim	09.02.2016	125%	843215.00	17.03.2023
6	2015-16	Interim	17.03.2016	200%	1207044.00	22.04.2023
7	2016-17	Final	10.08.2017	30%	233057.00	15.09.2024
8	2017-18	Interim	14.02.2018	100%	559718.00	22.03.2025
9	2017-18	Final	10.08.2018	175%	1036490.00	17.09.2025
10	2018-19	Final	12.08.2019	30%	213058.40	19.09.2026
11	2019-20	Interim	13.02.2020	600%	3337680.00	21.03.2027
					10637130.90	

In Financial Year 2020-21, unpaid Final Dividend for the Financial Year 2012-13 and Interim Dividend for the Financial Year 2013-14 shall be transferred to Investors Education and Protection Fund (IEPF).

g) Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of Unpaid/ Unclaimed Dividend on shares for a consecutive period of Seven years

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which Dividend has not been paid or claimed by a shareholder for a period of Seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

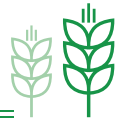
Details of Shares Transferred to IEPF till date is as follows:

S. No	No. of Shares Transferred	Date of Transfer
1	82,500 Shares for the year 2008-2009	05.12.2017
2	26,800 Shares for the year 2009-2010	28.09.2018
3	13,882 Shares for the year 2010-2011	09.10.2018
4	7,750 Shares for the year 2011-12	13.09.2019
5	20 Shares for the year 2012-13	11.03.2020

Details of such shares are available on website of Company under Investors Section. Shares which have been transferred to the Demat Account of IEPF Authority can be claimed back by the shareholder from IEPF Authority by following the procedure prescribed under the aforesaid rules. Therefore, it is in the interest of shareholders to regularly claim the Dividends declared by the Company.

In Financial Year 2020-21 following Unclaimed Shares are due to be transferred to IEPF Authority:

4500 Equity Shares- Tentative Date for Transfer- 27th September, 2020 Complete detail of such shares is available on the website of the Company at www.dhanuka.com.



h) Securities Listed on Stock Exchange(s):

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001.
Scrip Code: 507717

National Stock Exchange of India Limited

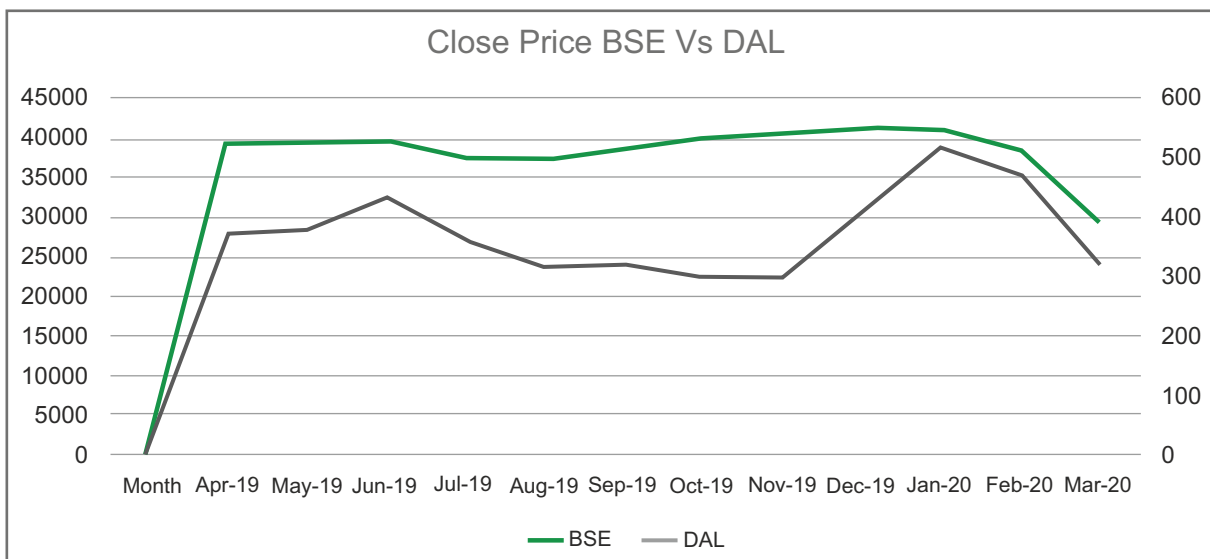
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051.
Scrip Code: DHANUKA

Annual listing fees for the Financial Year 2019-20 have been paid to the above Stock Exchange(s).

i) Market Price Data:

(1) BSE:

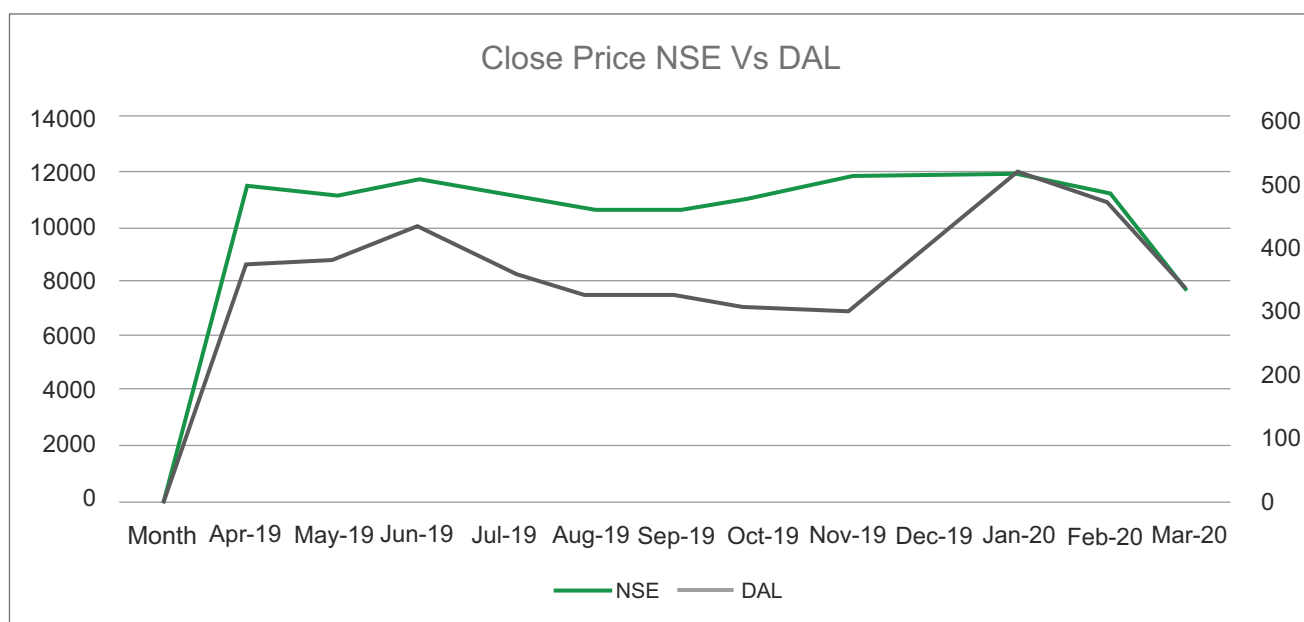
Month	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	Traded Quantity (No.)	Total Turnover (Rs. In Lakhs)
Apr-19	414.00	371.50	372.00	9423	36.74
May-19	399.90	355.00	378.75	14108	52.64
Jun-19	440.00	365.05	430.55	261603	1046.78
Jul-19	439.00	351.25	364.00	20699	83.25
Aug-19	362.40	307.75	318.40	22559	73.72
Sep-19	361.00	304.10	318.80	18269	59.52
Oct-19	330.00	289.00	303.35	24157	72.10
Nov-19	335.80	294.00	297.65	46780	144.11
Dec-19	427.00	288.75	411.55	46216	165.65
Jan-20	558.25	400.50	514.00	158218	773.83
Feb-20	565.70	400.00	471.15	150980	770.50
Mar-20	476.00	261.00	323.60	42581	159.07





(2) NSE:

Month	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	Traded Quantity (No.)	Total Turnover (Rs. in Lakhs)
Apr-19	406.00	373.00	373.00	1,97,818	772.50
May-19	428.70	351.25	376.60	424500	1578.34
Jun-19	444.00	372.50	430.05	786779	3158.83
Jul-19	439.00	333.95	362.35	438907	1748.83
Aug-19	364.00	308.80	318.00	249899	823.48
Sep-19	353.95	305.20	319.20	307716	1003.47
Oct-19	325.65	287.10	301.70	330934	993.30
Nov-19	334.80	292.50	297.40	559174	1730.39
Dec-19	425.00	288.10	405.55	876647	3046.61
Jan-20	558.00	397.00	514.65	1545468	7591.74
Feb-20	564.90	401.15	469.25	1296670	6672.86
Mar-20	480.10	275.00	325.20	598393	2141.82



j) Financial Calendar

Financial reporting for the first quarter ending on 30 th June, 2020;	Within 45 days of the end of the quarter
Financial reporting for the second quarter ending on 30 th September, 2020;	Within 45 days of the end of the quarter
Financial reporting for the third quarter ending on 31 st December, 2020;	Within 45 days of the end of the quarter
Financial reporting for the Financial Year ending on 31 st March, 2021;	Within 60 days of the end of the Financial Year*
Annual General Meeting for the Financial Year ending on 31 st March, 2021.	Within 6 months of the end of the Financial Year

*The same has been extended upto 30th June, 2020 as per SEBI Circular No. SEBI/HO/MIR SD/DOP/CIR/P/2020/82 dated 15th May, 2020.

k) Share Transfer System:

Abhipra Capital Limited is the Registrar and Transfer Agent (RTA) of the Company and carries out the process of share transfers and transmissions. The Stakeholders' Relationship Committee takes note of the transfers and transmissions executed by RTA on quarterly basis. Shares are also received by the RTA for dematerialization from the Shareholders. Such Shares are dematerialized by RTA within stipulated time and a monthly Demat Statement is sent to the Company.

l) Investor's Correspondence:

All enquiries relating to share transfer/ transmission, change of address, loss of share certificate etc. should be addressed to the RTA-M/s. Abhipra Capital Limited.

The queries relating to non-receipt of Dividend and Annual Reports should be addressed to the Company Secretary at the Corporate Office of the Company or e-mailed to investors@dhanuka.com.

m) Registrar and Transfer Agents: M/s. Abhipra Capital Limited,

Ground Floor, Abhipra Complex, Dilkhush Industrial Area, A-387, G.T. Karnal Road, Azadpur, Delhi- 110033, India
Phone Nos.: (+91)(011)27127362, 27249773/4, 42390708, 42390783
Website : www.abhipra.com
E-mail: info@abhipra.com, rta@abhipra.com

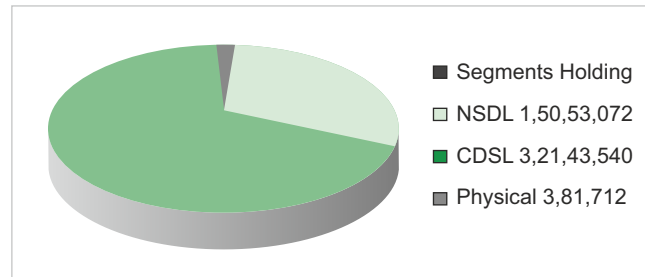
n) Plant(s) Locations:

1. Ajanta Industrial Estate, Vasna Iyava, Sanand, District, Ahmedabad, Gujarat.
2. SIICOP Industrial Estate, Battal Ballian, Udhampur(J&K)
3. Keshwana Industrial Area, Kotputli, Jaipur, Rajasthan.

o) Dematerialization of Shares and Liquidity:

In compliance with the SEBI Circular dated 30th September, 2011, 100% of the Company's Promoters and Promoter-Group Shareholding is in demat mode. As on 31st

March, 2020, 4,71,96,612 Equity Shares of the Company were held in dematerialized form. The Equity Shares of the Company are actively traded on the BSE Ltd. and National Stock Exchange of India Limited in demat form. All the requests for nomination, change of address, change of Bank mandate/ Bank particulars and dematerialization of Shares etc. are to be made only to the Depository Participant with whom the Shareholders have opened their Demat Account.



The total number of Equity Shares issued by the Company are 4,75,78,324 having Face Value of Rs. 2/- each.

RECONCILIATION OF SHARE CAPITAL AS ON 31.03.2020

Class of Investors	No. of Shares held	% of Paid-Up Capital
Promoters & Associates	35683267	75.00
Mutual Funds/UTI	5900697	12.40
Indian Public	4453474	9.36
Foreign Institutional Investors	0	0
Foreign Corporate Bodies	488892	1.03
Financial Institution	5861	0.01
Corporate Bodies	507549	1.07
Non-Resident Indians	244409	0.51
Others	294175	0.62
TOTAL	4,75,78,324	100.00

RECONCILIATION OF SHARE CAPITAL AS ON 31.03.2020

Segments	Holding	% of Holding
NSDL	15,053,072	31.64%
CDSL	3,21,43,540	67.56%
Demat- (NSDL + CDSL)	4,71,96,612	99.20%
Physical	3,81,712	0.80%
Total Shareholding	4,75,78,324	100%



DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2020:

Range	Shareholders		Value	
	Numbers	Percentage (%)	Rs. (Face Value)	Percentage (%)
Upto 2,500	22948	97.768	5446868	5.724
2,501 - 5,000	304	1.295	1132778	1.190
5,001 - 10,000	107	0.456	761772	0.801
10,001 - 20,000	44	0.187	592786	0.623
20,001 - 30,000	19	0.081	468714	0.493
30,001- 40,000	7	0.030	243184	0.256
40,001 - 50,000	4	0.017	175770	0.185
50,001 - 1,00,000	13	0.055	803604	0.845
1,00,001 & Above	26	0.111	85531172	89.885
TOTAL	23472	100.00	95156648	100.00

p) Foreign Exchange Risk

1. The Company's derivative instruments comprise forward contracts which are not intended for trading or speculation purposes and are used only to hedge Company's import liabilities.
2. During the year, the Company has managed foreign exchange risk and hedged to the extent considered necessary. Net open exposures are reviewed regularly and covered through forward contracts. The details of foreign currency exposure are disclosed in Note No. 43(c) to the Standalone Financial Statements.

q) Credit Ratings

Company continues to remain debt-free due to robust Financial Management. ICRA has accorded (ICRA) AA- (rating placed under watch with negative implications) rating for fund based limits and (ICRA) A1+ (rating placed under watch with negative implications) rating for non-fund based limits of the Company.

VI. DISCLOSURES:

a) Related Party Transactions:

Pursuant to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, necessary approvals for transactions with Related Parties were obtained from Audit Committee, Board and Members, during the Financial Year 2019-20.

The Board has approved a Revised Policy for Related Party Transactions w.e.f. 13th February, 2020 which has been

uploaded on the Company's website at the following link <https://www.dhanuka.com/corporate-governance>.

b) Disclosures on materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large:

The disclosures with regard to transactions with Related Parties are given in the Notes to Accounts of the Audited Financial statements for the Financial Year ended 31st March, 2020. These transactions are not in conflict with the Company's interest. There was no material Related Party Transaction during the year ended 31st March, 2020.

c) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the Capital Markets during the last three years:

The Company has been strictly adhering to the applicable Rules and Regulations made by SEBI. No penalties or strictures were imposed on the Company by the BSE/NSE or SEBI or any other Statutory Authority, on any matter related to the capital markets during last three years.

d) Disclosure of Accounting Treatment:

The Financial statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') as amended through rules and other relevant provisions of the Act to the extent applicable.

e) Compliance Certificate

The Compliance Certificate as stipulated in Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board along with the Financial Statements for the Financial Year ended 31st March, 2020 and the Board reviewed the same. The said Certificate is annexed to this Report.

f) Whistle Blower Policy and affirmation that no personnel has been denied access to Audit Committee:

Company has well planned Whistle Blower mechanism for any stakeholder to report concerns about unethical behavior or actual or suspected fraud of all kinds, including alleged fraud by or against the Company, abuse of authority, whether made by a named complainant or anonymously. No person has been denied access to the Chairman of the Audit Committee. The Policy is available on the Company's website at the following link <https://www.dhanuka.com/corporate-governance>. No complaints under this head were reported during the year.

g) Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Company has constituted Internal Complaints Committee ("ICC") in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 which is comprising the following:

Ms. Shubha Minz (Presiding Officer),
Mr. Sudhir Sharma (Member),
Ms. Puja Gogia (Member)
Ms. Isha Thakur (Member)

Status of Complaints is as follows:
Number of Complaints Filed during Financial Year 2019-20- Nil
Number of Complaints disposed of during Financial Year 2019-20- Nil
Number of Complaints pending at the end of Financial Year 2019-20- Nil

The Policy framed for prevention of Sexual Harassment of Women at Workplace is available on the Company's website at the following link <https://www.dhanuka.com/corporate-governance>.

h) Details of the familiarization programme of the Independent Directors are available on the website of the Company <https://www.dhanuka.com/investors>.

i) A Certificate from 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 SEBI BOARD/ Ministry of Corporate Affairs or any other such authority

Himanshu Sharma & Associates, Company Secretaries in Practice has duly verified and checked that none of the Director of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI BOARD/ Ministry of Corporate Affairs or any other such authority. Based on above verification they have given a Certificate in this regard which is annexed to this Report.

j) Total Fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis to Statutory Auditors and all entities in the network Firm/ Network entity to which the Statutory Auditors is a part

During Financial Year 2019-20, Rs. 17,14,250 (Rupees Seventeen Lakhs Fourteen Thousand Two Hundred and Fifty Only) have been paid to Statutory Auditors M/s. S.S. Kothari Mehta & Co.

*The above amount is exclusive of GST and inclusive of out of pocket expenses. All payments have been made for the Company only and no payments have been made for its subsidiary Company.

k) Weblink for various Policies

The details of various other policies applicable on the Company are available on Corporate Governance Section under the Investors Tab on the website of the Company. (<https://www.dhanuka.com/corporate-governance>).

l) Compliance Certificate from Statutory Auditors for Compliance of Conditions of Corporate Governance

Compliance Certificate from Statutory Auditors for Compliance of Conditions of Corporate Governance in terms of Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been annexed to this Report of the Company.

m) Secretarial Audit Report and Secretarial Compliance Report

In terms of Provisions of Section 204 of the Companies Act, 2013 and in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018, Secretarial Audit Report and Secretarial Compliance Report for Financial Year 2019-20 issued by M/s R & D, Company Secretaries are annexed to the Directors' Report.

VII. CORPORATE GOVERNANCE COMPLIANCE:

Compliance with mandatory & non-mandatory requirements



The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company has fulfilled the following non-mandatory requirements as prescribed in Schedule II, PART E of Regulation 27(1) of (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A) Audit Qualifications

It has always been the Company's endeavor to present unqualified Audited Financial Statements. There is no Audit Qualification/adverse remark in the Statutory Audit Report, Secretarial Audit Report and Secretarial Compliance Report of the Company for the Financial Year ended 31st March, 2020.

B) Separate posts of Chairman and Managing Director

Company has assigned separate post for Chairman and Managing Director. Mr. Ram Gopal Agarwal is Chairman of the Company and Mr. Mahendra Kumar Dhanuka is

Managing Director of the Company.

C) Reporting of Internal Auditor

The Internal Auditor's reporting is directly to the Audit Committee.

D) The Company has a Wholly Owned Subsidiary but that is not a Material Subsidiary Company.

E) Company has complied with all the requirement of Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except regulation 24(1) which is not applicable to the Company.

DECLARATION BY CHIEF EXECUTIVE OFFICER/ MANAGING DIRECTOR PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, Mahendra Kumar Dhanuka, Managing Director of M/s. Dhanuka Agritech Limited ("the Company") confirm that as provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has adopted a Code of Conduct ("Code") for its Board Members and Senior Management Personnel and the Code is available on the Company's website www.dhanuka.com

I, further confirm that the Company has received from its Board Members as well as Senior Management Personnel affirmation in respect of the Financial Year ended 31st March, 2020, as to compliance with the Code of Conduct.

For Dhanuka Agritech Limited

Sd/-

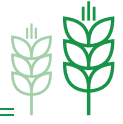
Mahendra Kumar Dhanuka

Managing Director

DIN: 00628039

Date: 10th June, 2020

Place: Gurugram



CERTIFICATE IN RELATION TO DIN STATUS OF DIRECTOR AS ON 31ST
MARCH 2020

(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,
M/s DHANUKA AGRITECH LIMITED
82, Abhinash Mansion, 1st Floor Joshi Road,
Karol Bagh New Delhi,
Delhi-110005

I have examined the relevant registers, records, forms and disclosures received from the Directors of **M/s. DHANUKA AGRITECH LIMITED having CIN : L24219DL1985PLC020126** and having registered office at 82, Abhinash Mansion, 1st Floor, Joshi Road, Karol Bagh, New Delhi, Delhi-110005 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(I) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On the Basis of all relevant document as considered necessary furnished to me by the Company & its officers and after going through Directors Identification (DIN) status of all Directors at the portal www.mca.gov.in, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by Ministry of Corporate Affairs .

List of Director as on 31st March 2020

Sr. No	DIN	Name Of Director	Designation	Date of Appointment	DIN Status as per MCA Portal under Tab (Enquire DIN Status)
1.	00041859	Mr.Priya Brat	Director	28/10/2002	Approved
2.	00041909	Mr.Bajrang Lal Bajaj	Director	21/05/2019	Approved
3.	00150140	Mr.Rahul Dhanuka	Whole time Director	28/01/2002	Approved
4.	00199441	Mr.Mridul Dhanuka	Whole time Director	23/05/2011	Approved
5.	00199516	Mr.Harsh Dhanuka	Whole time Director	21/05/2019	Approved
6.	00501297	Mr.Indresh Narain	Director	23/05/2007	Approved
7.	00627386	Mr.Ram Gopal Agarwal	Whole time Director	10/03/1992	Approved
8.	00627425	Mr.Arun Kumar Dhanuka	Whole time Director	23/05/2007	Approved
9.	00628039	Mr.Mahendra Kumar Dhanuka	Managing Director	13/02/1985	Approved
10.	01185937	Mr.Vinod Kumar Jain	Director	24/03/2005	Approved
11.	01257965	Mr.Sanjay Saxena	Director	22/05/2018	Approved
12.	02122147	Mr.Sachin Kumar Bhartiya	Director	09/02/2016	Approved
13.	07767324	Mr.Ashish Saraf	Whole time Director	24/03/2017	Approved
14.	08358673	Ms.Namrata Gupta	Director	21/05/2019	Approved

Himanshu Sharma & Associates

Sd/-

CS Himanshu Sharma

Company Secretary
Membership No.: FCS 9529
C.P. No.: 11553

Date: 05.06.2020
Place: New Delhi



Independent Auditors' Certificate on Corporate Governance

To
The Members of,
Dhanuka Agritech Limited

We have examined the compliance of conditions of Corporate Governance by DHANUKA AGRITECH LIMITED ("the Company") for the year ended 31st March, 2020, as stipulated in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

Management's Responsibility

The compliance of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to ensure the compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibilities

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the terms and conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2020.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended 31st March, 2020.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

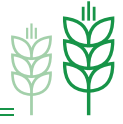
Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For S. S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No. 000756N

Sd/-
Yogesh K. Gupta
Partner
Membership No. 093214

Place: Faridabad
Date: 22nd July, 2020



COMPLIANCE CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, M.K. Dhanuka, Managing Director and V.K. Bansal, Chief Financial Officer of Dhanuka Agritech Limited (“the Company”), hereby certify that:

- A. We have reviewed Financial Statements and the Cash Flow Statement of the Company for the Financial Year ended 31st March, 2020 and that to the best of our knowledge and belief:
1. These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. 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:
1. Significant changes in internal control over Financial reporting during the Year ended 31st March, 2020;
 2. Significant changes in accounting policies during the Year and that the same have been disclosed in the notes to the Financial Results; and
 3. Instances of significant fraud of which we have 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.

For Dhanuka Agritech Limited
Sd/-
V.K. BANSAL
Chief Financial Officer

For Dhanuka Agritech Limited
Sd/-
M.K. Dhanuka
Managing Director

Place: Gurugram
Date: 10th June, 2020



INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
DHANUKA AGRITECH LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of DHANUKA AGRITECH LIMITED (“the Company”), which comprise the standalone Balance sheet as at 31st March 2020, the standalone statement of Profit and Loss (including Other Comprehensive Income), standalone statement of cash flows and standalone statement of changes in equity 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 Ind AS 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 March 31, 2020, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2020. These Matters were addressed in the context of our audit of the standalone Ind AS financial

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	Auditor's Response
<p>Estimation of provision for sales returns, discounts, rebates, schemes and incentives on sales impacting revenue from sale of products</p> <p>Revenue from sale of products is presented net of returns, discounts, rebates, schemes and incentives in the standalone Ind AS financial statements.</p> <p>The Company's management determines provision for sales return, discounts, rebates, schemes and incentives on the basis of various factors such as the current and expected operating environment, sales return variability and expected achievement of targets against various ongoing schemes floated.</p> <p>We determined the estimates associated with sales returns, discounts, rebates, schemes and incentives on sale of products as a key audit matter in view of it having significant impact on the recognised revenue and the involvement of management judgement in estimating the amounts at which these are expected to be settled.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Understanding the policies and procedures applied to estimate the sales returns, discounts, rebates, schemes and incentives including evaluation and testing of the design and operating effectiveness of controls related to these estimates. Obtained management's calculations for the respective estimates and assessed the reasonableness of assumptions used by the management in determining the amount of provisions based on understanding of the market conditions. Assessed the reasonableness of estimates made by the management in the past by comparing the provisions recognised in the earlier financial year with their subsequent settlement, ratio analysis of sales returns, discounts, rebates, schemes and incentives as a percentage of sale of last few years. Verified, if any credit notes were issued and/or adjustments made after the balance sheet date and their impact if any on the reported amounts.

Emphasis of Matter

We draw attention to Note no. 48 of the standalone financial results which states the management's evaluation of COVID-19 impact on the operations of the company. Our opinion is not modified in respect of this matter.



Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report 2019-20, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS 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 Ind AS 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.

Responsibility of Management for Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to

liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS



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 Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2020 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, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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), Standalone Statement of Cash Flows and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act; read with rule 7 of the companies (Accounts) Rules, 2014
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its Standalone Ind AS financial statements – Refer Note 37 to the Standalone Ind AS financial statements.
 - ii. The Company did not have any material foreseeable

losses on its long-term contracts, the Company did not have any long-term derivative contracts; and

- iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company:

For S.S. KOTHARI MEHTA & COMPANY

Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Yogesh K. Gupta
Partner
Membership No.093214
UDIN: 20093214AAAAAS5976

Place: Faridabad
Date: June 10, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Dhanuka Agritech Limited of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a program of physical verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of examination of title deeds / sale deed / transfer deed / conveyance deed / possession letter / allotment letter and other relevant records evidencing title/ possession provided, we report that the title deeds of the immovable properties are held in the name of the Company.
- ii. The inventories of the Company (except stock in transit) have been physically verified by the management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- iii. The Company has granted unsecured loan to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the Company are not prejudicial to interest of the Company.
- (b) In respect of aforesaid loan, repayment of principal and payment of interest has been stipulated. Repayment of principal & interest is not due at the close of the year.
- (c) There is no amount overdue for more than 90 days as on the date of Balance Sheet.
- iv. According to the information, explanations and representations provided by the Management and based upon audit procedures performed, we are of the opinion that in respect of loans and investments the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013. The Company has not provided any guarantees or security as specified under Section 185 and 186 of the Companies Act, 2013.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account



maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Duty of Customs, Cess and any other material

statutory dues to appropriate authorities, though there have been delays in few cases.

- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March 31st, 2020.
- (c) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, duty of excise, goods and service tax, duty of custom, or value added tax which have not been deposited on account of any dispute except as given below:

viii. In our opinion, on the basis of audit procedures and

Name of the Statute	Nature of dues	Period	Amount (Rs. In lacs)	Amount deposited (Rs. In lacs)	Forum where pending
The Central Excise Act, 1994	Excise Duty	1996	9.41	NIL	Additional/Deputy Commissioner
The Central Excise Act, 1994	Excise Duty	Jan 2014- Sep 2015	357.31	46.90	CESTAT, Chandigarh
The Central Excise Act, 1994	Excise Duty	April 2012-Sep 2016	132.70	23.80	CESTAT, Ahmedabad
The Central Excise Act, 1994	Excise Duty	Oct 2015- March 2016	103.23	7.74	Commissioner (A), Jammu
The Central Excise Act, 1994	Excise Duty	June 2010-Jan 2014	105.85	7.94	Commissioner (A), Jammu
The Service Tax Act, 1994	Service Tax	Jan 2005 to Aug 2007	140.25	65.20	Additional/Deputy Commissioner, Delhi
The Service Tax Act, 1994	Service Tax	Oct 2008 to March 2009	36.00	1.80	Additional/Deputy Commissioner, Delhi
The Central Sales Tax Act, 1944 and State VAT Act	VAT	2009-10	19.95	NIL	West Bengal, Appellate Tribunal
The Central Sales Tax Act, 1944 and State VAT Act	VAT	2012-13	138.15	46.00	Joint Commissioner, Gujarat
The Foreign Trade (Development & Regulation) Act, 1992	Terminal Excise Duty	2015-16 and 2016-17	2980	NIL	Gujarat, High Court

according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks or financial institutions during the year. The Company has not obtained any loans from debenture holders or government.

ix. According to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

- x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the company or on the Company by its officers or employees noticed or reported during the year, nor have we been informed of such case by the Management.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the record of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable.

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Yogesh K. Gupta
Partner
Membership No. 093214

UDIN : 20093214AAAAAS5976
Place: Faridabad
Date: June 10, 2020

“Annexure B” to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of DHANUKA AGRITECH LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements'

We have audited the internal financial controls over financial reporting of DHANUKA AGRITECH LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and

maintaining internal financial controls based on the internal control 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. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 system 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 internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Ind AS financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control 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.

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Yogesh K. Gupta
Partner
Membership No. 093214

UDIN : 20093214AAAAAS5976
Place: Faridabad
Date: June 10, 2020



Standalone Balance Sheet as at March 31, 2020

(₹ In lacs)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I	Assets			
1	Non-current assets			
a	Property, Plant and Equipment	4	11,510.89	11,434.37
b	Capital work in progress	5	366.94	98.91
c	Other Intangible assets	6	234.22	254.63
d	Financial Assets			
	i) Investments	7	9,914.81	8,977.59
	ii) Loans	8	389.65	353.50
	iii) Other financial assets	9	2,217.54	984.44
e	Other non-current assets	14	1,960.40	1,996.69
	Total Non-Current assets		26,594.45	24,100.13
2	Current assets			
a	Inventories	10	24,985.70	20,683.01
b	Financial Assets			
	i) Investments	7	5,971.91	3,049.04
	ii) Trade receivables	11	24,240.86	21,867.60
	iii) Cash and cash equivalents	12	2,522.47	45.49
	iv) Bank balances other than (iii) above	12	106.37	87.60
	v) Loans	8	3,144.67	3,288.42
	vi) Other financial assets	9	1,214.69	6,538.82
c	Current Tax Assets (Net)	13	457.15	1,426.94
d	Other current assets	14	3,992.95	2,445.31
	Total Current assets		66,636.77	59,432.23
	Total Assets		93,231.22	83,532.36
II	EQUITY AND LIABILITIES			
1	Equity			
a	Equity Share Capital	15	951.57	951.57
b	Other Equity	16	69,818.19	63,270.45
	Total equity		70,769.76	64,222.02
	LIABILITIES			
2	Non-current liabilities			
a	Financial Liabilities			
	i) Other financial liabilities	19	1,600.38	1,530.77
b	Provisions	20	568.85	242.97
c	Deferred tax liabilities (Net)	21	533.91	1,220.67
	Total Non-current Liabilities		2,703.14	2,994.41
3	Current Liabilities			
a	Financial Liabilities			
	i) Borrowings	17	798.49	2,221.25
	ii) Trade payables	18		
	-Total Outstanding dues of Micro Enterprises and Small Enterprises		693.34	117.81
	-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		10,627.76	7,635.36
	iii) Other financial liabilities	19	5,993.80	4,327.33
b	Other current liabilities	22	1,619.35	1,986.63
c	Provisions	20	25.58	27.55
	Total Current Liabilities		19,758.32	16,315.93
	Total Equity and Liabilities		93,231.22	83,532.36

Accompanying notes form an integral part of the financial statements

1 to 49

As per our report of even date attached

For and on behalf of the Board of Directors

For **S.S. KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm Registration No: 000756N

Sd/-
YOGESH K GUPTA
Partner
Membership No : 093214

Sd/-
M.K. DHANUKA
Managing Director
DIN: 00628039

Sd/-
RAHUL DHANUKA
Executive Director
DIN: 00150140

Sd/-
V.K. BANSAL
Chief Financial Officer
M.No.: 86263

Sd/-
JITIN SADANA
Company Secretary
FCS No.: F 7612

Place : Faridabad (Haryana)

Dated : 10th June, 2020

Place : Gurugram (Haryana)

Dated : 10th June, 2020



Standalone Statement of Profit & Loss for the year ended March 31, 2020

(₹ In lacs)

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue from Operations	23	1,12,007.08	1,00,583.80
II	Other Income	24	2,508.84	2,120.45
III	Total Revenue (I+II)		1,14,515.92	1,02,704.25
IV	EXPENSES			
	Cost of materials consumed	25	58,244.88	54,630.15
	Purchase of Stock In Trade	26	14,060.05	9,250.76
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	27	(1,135.83)	(2,214.19)
	Employee Benefit Expenses	28	10,522.81	10,465.79
	Finance Costs	29	155.69	89.29
	Depreciation and Amortization Expense	30	1,635.89	1,234.85
	Other Expenses	31	12,968.23	13,852.08
	Total Expenses		96,451.72	87,308.73
V	Profit Before Exceptional Items and Tax (III-IV)		18,064.20	15,395.52
VI	Exceptional items	32	-	-
VII	Profit before Tax (V-VI)		18,064.20	15,395.52
VIII	Tax Expenses	33		
	Current Tax		4,604.46	5,283.03
	Tax of earlier year provided / (written back)		-	(1,032.27)
	Deferred Tax		(686.76)	(112.82)
IX	Profit for the year		14,146.50	11,257.58
X	Other Comprehensive Income	34		
A	(i) Items that will not be reclassified to profit or loss		(371.62)	(50.62)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	Total Comprehensive Income (IX+X)		13,774.88	11,206.96
XII	Earnings per Equity Share			
	1) Basic (in ₹)	35	29.73	23.02
	2) Diluted (in ₹)	35	29.73	23.02

Accompanying notes form an integral part of the financial statements

1 to 49

As per our report of even date attached

For and on behalf of the Board of Directors

For **S.S. KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm Registration No: 000756N

Sd/-
YOGESH K GUPTA
Partner
Membership No : 093214

Sd/-
M.K. DHANUKA
Managing Director
DIN: 00628039

Sd/-
RAHUL DHANUKA
Executive Director
DIN: 00150140

Sd/-
V.K. BANSAL
Chief Financial Officer
M.No.: 86263

Sd/-
JITIN SADANA
Company Secretary
FCS No.: F 7612

Place : Faridabad (Haryana)
Dated : 10th June, 2020

Place : Gurugram (Haryana)
Dated : 10th June, 2020



Standalone Statement of Changes in Equity for the year ended March 31, 2020

(₹ In lacs)

a. EQUITY SHARE CAPITAL	As at March 31, 2020		As at March 31, 2019	
	No of shares	Amount	No of shares	Amount
Particulars				
Balance at the beginning of the reporting period	4,75,78,324.00	951.57	4,90,78,324.00	981.57
Changes in equity share capital during the year (Refer Note-15)	-	-	(15,00,000.00)	(30.00)
Balance at the end of the reporting period	4,75,78,324.00	951.57	4,75,78,324.00	951.57

b. OTHER EQUITY	Reserves & Surplus				Total
	Capital Reserve	General Reserve	Capital Redemption Reserve	Retained earnings	
Particulars					
Balance as at April 1, 2018	95.47	2,455.03	18.82	59,784.99	62,354.32
Total comprehensive income for the year ended 31 March, 2019					
-Profit for the year	-	-	-	11,257.58	11,257.58
-Other comprehensive income for the year	-	-	-	(50.62)	(50.62)
Total comprehensive income	-	-	-	11,206.96	11,206.96
-Dividend paid during the year	-	-	-	(1,717.74)	(1,717.74)
-Dividend Distribution Tax (DDT)	-	-	-	(353.08)	(353.08)
-Buy back of Shares (Refer Note-15)	-	(2,455.03)	30.00	(5,794.97)	(8,220.00)
Balance as at March 31, 2019	95.47	-	48.82	63,126.16	63,270.45

Balance as at April 1, 2019	95.47	-	48.82	63,126.16	63,270.45
Total comprehensive income for the year ended 31 March, 2020					
-Profit for the year	-	-	-	14,146.50	14,146.50
-Other comprehensive income for the year	-	-	-	(371.62)	(371.62)
Total comprehensive income	-	-	-	13,774.88	13,774.88
-Dividend paid during the year	-	-	-	(5,994.87)	(5,994.87)
-Dividend Distribution Tax (DDT)	-	-	-	(1,232.27)	(1,232.27)
Balance as at March 31, 2020	95.47	-	48.82	69,673.90	69,818.19

As per our report of even date attached

For and on behalf of the Board of Directors

For **S.S. KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm Registration No: 000756N

Sd/-
YOGESH K GUPTA
Partner
Membership No : 093214

Sd/-
M.K. DHANUKA
Managing Director
DIN: 00628039

Sd/-
RAHUL DHANUKA
Executive Director
DIN: 00150140

Sd/-
V.K. BANSAL
Chief Financial Officer
M.No.: 86263

Sd/-
JITIN SADANA
Company Secretary
FCS No.: F 7612

Place : Faridabad (Haryana)
Dated : 10th June, 2020

Place : Gurugram (Haryana)
Dated : 10th June, 2020



Standalone Statement of Cash Flow for the year ended March 31, 2020

(₹ In lacs)

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit / (Loss) Before Tax	18,064.20	15,395.52
	Adjustments for:		
	Depreciation, amortization and impairment expenses	1,635.89	1,234.85
	Net (Gain)/Loss on Sale of Property, Plant and Equipment	(8.91)	(13.11)
	Property, Plant and Equipment Written off	-	15.05
	Finance Costs	155.69	89.29
	Interest Income	(1,124.69)	(714.40)
	Dividend Income from Investments	(291.10)	(159.94)
	Net (Gain)/Loss on Sale of Investments	(83.58)	(280.11)
	Net (Gain)/Loss on Investments measured at fair value through profit or loss	(380.77)	(352.79)
	Allowance for Bad and Doubtful debts & Advances	450.06	381.98
	Liabilities No Longer Required, Written Back	(249.53)	(17.56)
	Forex Fluctuation on Translation of Assets & Liabilities	109.36	(55.13)
	Operating Profit/(loss) before Working Capital changes	18,276.62	15,523.65
	(Increase) / Decrease in Trade Receivables	(2,504.32)	(1,257.12)
	(Increase) / Decrease in Current financial assets - Loans	(56.25)	(157.79)
	(Increase) / Decrease in Non Current financial assets - Loans	(160.78)	38.64
	(Increase) / Decrease in Other Current financial assets	5,329.22	(1,193.33)
	(Increase) / Decrease in Other Non Current financial assets	32.88	-
	(Increase) / Decrease in Other Current assets	(1,563.10)	(420.05)
	(Increase) / Decrease in Other Non Current assets	12.39	(16.53)
	(Increase)/Decrease in Inventories	(4,302.69)	(4,559.74)
	Increase / (Decrease) in Trade Payables	3,702.51	(486.31)
	Increase / (Decrease) in Other Current Financial Liabilities	1,431.36	273.62
	Increase / (Decrease) in Other Non Current Financial Liabilities	57.10	(818.86)
	Increase / (Decrease) in Other Current Provisions	(1.97)	2.77
	Increase / (Decrease) in Other Non Current Provisions	(45.75)	14.04
	Increase / (Decrease) in Other Current Liabilities	(362.39)	(183.45)
	Increase / (Decrease) in Other Non Current Liabilities	-	(7.93)
	Cash generated (used) in /from Operations before tax	19,844.83	6,751.61
	Net Direct Taxes paid (Net of Refunds)	(3,634.67)	(5,420.28)
	Net cash flow (used) in/ from Operating Activities	16,210.16	1,331.33
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Acquisition of Property, Plant and Equipment (Including Adjustment on account of Intangible Assets, Capital work in Progress, Capital Creditors and Capital Advances)	(1,371.95)	(607.52)
	Proceeds from sale of Property, Plant and Equipment	333.48	134.55
	Loan Given to Corporate and Other	(4,500.00)	(2,700.00)
	Repayment of Loan Given to Corporate and Other	4,600.00	2,675.00
	Investment in Bank Deposits	(1,265.98)	(850.24)
	Purchase and sale of Investments (Net)	(3,614.74)	6,805.58
	Interest Received	1,096.12	700.51
	Dividend Income from Investments	291.10	159.94
	Net cash flow (used) in/ from Investing Activities	(4,431.97)	6,317.82
	Net cash (used) in/ from Operating and Investing Activities	11,778.19	7,649.15



Standalone Statement of Cash Flow for the year ended March 31, 2020

(₹ In lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowings (Net)	(1,422.76)	1,749.59
Payment of Principal portion of Lease Liabilities	(495.62)	-
Payment of Dividend	(5,994.87)	(1,717.74)
Taxes on Dividend	(1,232.27)	(353.08)
Buy Back of Shares	-	(8,250.00)
Interest Paid	(155.69)	(89.29)
Net cash (used) in/ from Financing Activities	(9,301.21)	(8,660.52)
Net cash (used) in/ from Operating, Investing & Financing Activities	2,476.98	(1,011.37)
Opening balance of Cash and Cash equivalent	45.49	1,056.86
Closing balance of Cash & Cash equivalent	2,522.47	45.49
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following (refer note no.12):-		
i) Cash Balance on Hand	102.10	40.19
ii) Balance with Banks :		
-In Current Accounts	216.29	5.30
-In Fixed Deposits	2,201.54	-
-Cheques in hand	2.54	-
Total	2,522.47	45.49

Change in liability arising from financing activities

Particulars	Current Borrowings	Interest Paid	Lease Liabilities	Buy Back of Equity Shares	Dividend Paid Including DDT
Balance as at April 1, 2018	471.65	-	-	-	-
Cash Flows	1,749.59	(89.29)	-	(8,250.00)	(2,070.82)
Buy Back of Equity Shares Accruals	-	-	-	8,250.00	-
Dividend Distribution Tax (Including DDT) Accruals	-	-	-	-	2,070.82
Finance Cost Accruals	-	89.29	-	-	-
Balance as at March 31, 2019	2,221.25	-	-	-	-
Cash Flows	(1,422.76)	(91.31)	(560.00)	-	(7,227.14)
Lease Liabilities Accruals	-	-	984.64	-	-
Dividend Distribution Tax (Including DDT) Accruals	-	-	-	-	7,227.14
Finance Cost Accruals	-	91.31	64.38	-	-
Balance as at March 31, 2020	798.49	-	489.02	-	-

As per our report of even date attached

For and on behalf of the Board of Directors

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration No: 000756N

Sd/-
YOGESH K GUPTA
Partner
Membership No : 093214

Sd/-
M.K. DHANUKA
Managing Director
DIN: 00628039

Sd/-
RAHUL DHANUKA
Executive Director
DIN: 00150140

Sd/-
V.K. BANSAL
Chief Financial Officer
M.No.: 86263

Sd/-
JITIN SADANA
Company Secretary
FCS No.: F 7612

Place : Faridabad (Haryana)
Dated : 10th June, 2020

Place : Gurugram (Haryana)
Dated : 10th June, 2020



Notes to Standalone Financial Statement for the year ended March 31, 2020

1. CORPORATE INFORMATION

Dhanuka Agritech Limited (“DAL” or “the Company”) is a public limited company incorporated under The Companies Act, 1956, domiciled in India and has its registered office at New Delhi. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

DAL manufactures a wide range of agro-chemicals like herbicides, insecticides, fungicides, plant growth regulators in various forms – liquid, dust, powder and granules. The Company has a Pan-India presence through its Branch offices/Depots in all major states in India.

The Registered office of the company situated at 82, Abhinash Mansion, 1st Floor, Joshi Road, Karol Bagh, New Delhi-110005 and the corporate office is situated at 14th Floor, Building 5A, Cyber City, DLF Phase-III, Gurugram-122002.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') as amended through rules and other relevant provisions of the Act to the extent applicable.

These financial statements were authorized for issue by the Board of Directors on June 10, 2020.

b. Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

- Certain financial assets and liabilities that is measured at fair value;
- Defined benefit plans - plan assets measured at fair value.

c. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (“the functional currency”). The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest lacs, unless otherwise indicated.

d. New and amended standards adopted by the Company

I. Ind AS 116, Leases

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Effective April 1, 2019, the Company adopted Ind AS-116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the Modified Retrospective Method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as an amount to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to particular lease recognised in the Balance Sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Financial Statements for year ended March 31, 2019.

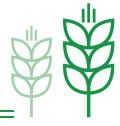
Refer Note 38 for detailed impact on adoption of Ind AS 116 “Leases” on the financial statements of the company.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS-116 is applied only to contracts that were previously identified as leases under Ind AS-17.

II. Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes

On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. As per the Company's assessment, this amendment had no impact on the standalone financial statements of the Company.



Notes to Standalone Financial Statement for the year ended March 31, 2020

III. Amendment to Ind AS 12, Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. As per the Company's assessment, this amendment had no impact on the standalone financial statements of the Company.

IV. Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. As per the Company's assessment, this amendment had no impact on the standalone financial statements of the Company.

e. Current or Non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

f. Critical accounting judgements and key source of estimation uncertainty

The preparation of standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Although the Company regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known.

Application of accounting policies that require critical accounting estimates and assumption judgements having the

most significant effect on the amounts recognized in the financial statements are:

- Measurement of defined benefit obligations;
- Recognition of deferred tax assets & minimum alternative tax credit entitlement;
- Useful life and residual value of Property, plant and equipment and intangible assets;
- Impairment test of financial and non-financial assets;
- Measurement of fair value of financial instrument; and
- Recognition and measurement of provisions and contingencies.
- Recognition and measurement of provision for discounts and rebates.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

a. Property, plant and equipment

1. Recognition and measurement

On transition to Ind AS, the Company had elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Freehold land is carried at cost. All other items of Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in cost to the extent they relate to the period till such assets are ready for its intended use.

If significant parts of an item of property, plant and equipment



Notes to Standalone Financial Statement for the year ended March 31, 2020

have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the Statement of Profit & Loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under construction as at the balance sheet date.

An item of property, plant and equipment is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

II. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, recognized in the statement of profit and loss. Depreciation on property, plant and equipment is provided on Written Down Value Method (WDV) at the rate and in the manner based on the useful life of the assets as estimated by the management which coincide with the useful life specified under Schedule II of the Companies Act, 2013, which are as follows:

• Building including factory building-	30-60 years.
• General plant and machinery-	15 years
• Plant and Machinery-Vessel/Storage tank-	20 years
• Furniture and Fittings-	10 years
• Motor Vehicles-	8-10 years
• Office Equipment-	5 years
• Computers and data processing units-	3-6 years
• Wind Mill-	22 years
• *Solar Plant-	25 years

*The useful life considered above is on the basis of the agreement with third party regarding sale of electricity generated from this plant.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

Assets having cost upto ₹5000/- have been fully depreciated in the year of acquisition by leaving Re.1 as a nominal value for its identity in fixed assets register.

b. Intangible assets

On transition to Ind AS, company has elected to continue with the carrying value of all of its intangible assets recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Intangible assets are measured at cost less any accumulated amortization and impairment losses, if any.

Cost of an item of intangible asset comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent costs are included in the asset's carrying amount or recognized 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.

Amortization is recognized on a straight line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful lives are as follows:

Computer Software	10 years
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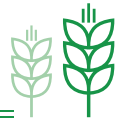
An intangible asset is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

c. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) 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 flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').

The recoverable amount of an asset or CGU is the greater 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 pre-tax discount rate that reflects current market assessments of the time value of money and



Notes to Standalone Financial Statement for the year ended March 31, 2020

the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and 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. After impairment, depreciation or amortization is provided on the revised carrying amount of the assets over its remaining useful life.

d. Financial instruments

I. Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recognized at fair value plus transaction costs directly attributable to its acquisition. The transaction costs incurred for the purchase of financial assets held at fair value through profit and loss are expensed in the statement of profit and loss immediately.

II. Subsequent measurement

1) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognized or impaired, the gain or loss is recognized in the statement of profit and loss.

2) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI,

except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss.

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognized in OCI are not reclassified to the statement of profit and loss.

3) Financial assets at fair value through profit and loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

4) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts is approximate to the fair value due to the short maturity of these instruments.

5) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the separate financial statements.

III. Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. Except trade receivables, expected credit losses are measured at an amount equal to the twelve month expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

In case of trade receivables, the Company follows the simplified approach which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

IV. Derecognition

1) Financial Assets

Company derecognizes a financial asset when the



Notes to Standalone Financial Statement for the year ended March 31, 2020

contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

2) Financial Liabilities

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

V. Reclassification of Financial Assets and Financial liabilities

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the company reclassifies financial assets, it applies prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

VI. Derivative financial instruments

The company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognized immediately in the statement of profit and loss.

VII. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

e. Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/ or disclosure purposes are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within 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 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

f. Inventories

Inventories (including Stock-in-transit) of Finished Goods, Stock in Trade, Work in progress, Raw materials, packing materials and Stores & Spares are stated at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of Raw Materials, Packing Materials, Stores and Spares, Stock in Trade and other products are determined on First in first out (FIFO) basis and are net of GST.



Notes to Standalone Financial Statement for the year ended March 31, 2020

i. Employee Benefits

I. Short Term Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

II. Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund, National Pension scheme and Employees State Insurance are defined contribution schemes. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable exceeds contribution already paid, the deficit payable is recognized as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to reduction in future payments or a cash refund.

III. Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated 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 company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The company contributes to the gratuity fund, which are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit & loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit & loss. The company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

IV. Other long term employee benefits

Other long term Employee benefits includes earned leaves and sick leaves. The Company's net obligation in respect of long-term employee 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. Remeasurement are recognized in statement of profit & loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

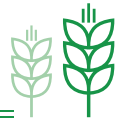
j. Foreign currency transactions

The financial statements are presented in Indian rupee, which is the company's functional and presentation currency, unless stated otherwise. A company's functional currency is that of the primary economic environment in which the company operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the statement of profit and loss.

k. Borrowing costs

Borrowing costs are interest and other costs (including



Notes to Standalone Financial Statement for the year ended March 31, 2020

Cost of Work in progress and Finished Goods is determined on First in first out (FIFO) basis considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and wherever necessary, the same are written off or provision is made for such inventories. Finished goods and work in progress are written down if anticipated net realizable value declines below the carrying amount of the inventories and such write down to inventories are recognized in statement of profit & loss. When reason for such write down ceases to exist, then write down is reversed through statement of profit and loss account.

g. Provisions, Contingent Liabilities and Contingent Assets

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.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

h. Revenue Recognition

I. Sale of goods

Revenue is generated primarily from sale of agrochemicals.

Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer which is usually on delivery.

Revenue is measured based on the transaction price,

which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3(d) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

II. Interest Income

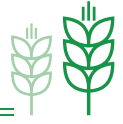
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

III. Dividends

Dividend income is recognized when the Company's right to receive dividend is established, and is included in other income in the statement of profit and loss.

IV. Revenue from electricity generation

Revenue from electricity generation is recognized on the basis of electricity units generated and invoice raised on monthly basis.



Notes to Standalone Financial Statement for the year ended March 31, 2020

exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred 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 part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

I. Income Tax

Income tax expense comprises current and deferred tax. It is recognized in statement of profit & loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income

I. Current Tax

Current tax comprises the expected tax payable on the taxable income for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

II. Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax assets/liabilities are generally recognized for all taxable temporary differences, the carry forward balance of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward balance of unused tax credits and unused tax losses can be utilized.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

m. Segment Reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the company's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

The Chairman, Managing Director, Executive directors and CFO have been identified as CODM by the Company. Refer Note 39 for segment information.

n. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits 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.

o. Statement of cash flows

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Ind AS on Statement of Cash Flows (Ind AS - 7). The cash flows from operating, financing and investing activity of the company are segregated.

p. Lease

The Company's lease asset classes primarily consist of leases for Building and Vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of



Notes to Standalone Financial Statement for the year ended March 31, 2020

time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Company as a lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor

I. Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

II. Finance Lease

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

q. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r. Dividend to Equity Shareholders

Dividend to equity shareholders is recognized as a liability and deducted from shareholders' Equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

s. Research and Development Expenses

Research and Development Expenses of revenue nature are charged to the Statement of Profit and Loss.

Notes to Standalone Financial Statement for the year ended March 31, 2020

4. PROPERTY, PLANT AND EQUIPMENT

(₹ In lacs)

Particulars	Land-Freehold	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Power Gen. Plant	Right-of-use Asset	Total
Gross Carrying Amount									
As at April 01, 2018	3,017.03	7,280.16	3,607.22	170.58	164.98	430.86	950.74	-	15,621.57
Additions	89.49	15.18	112.18	4.14	196.73	56.37	-	-	474.09
Disposals/Adjustments	(96.01)	(5.33)	(806.14)	(2.81)	(8.86)	(11.84)	-	-	(930.99)
Balance as at March 31, 2019	3,010.51	7,290.01	2,913.26	171.91	352.85	475.39	950.74	-	15,164.67
Balance as at April 1, 2019	3,010.51	7,290.01	2,913.26	171.91	352.85	475.39	950.74	-	15,164.67
Additions	369.21	-	288.92	2.52	59.62	118.08	-	1,155.20	1,993.55
Disposals/Adjustments	-	(410.58)	(14.76)	(0.13)	(32.95)	(9.70)	-	-	(468.12)
Balance as at March 31, 2020	3,379.72	6,879.43	3,187.42	174.30	379.52	583.77	950.74	1,155.20	16,690.10
Accumulated Depreciation									
As at April 01, 2018	-	1,197.75	1,066.06	70.46	71.25	243.26	176.98	-	2,825.76
Depreciation for the year	-	527.41	410.01	27.42	46.84	90.30	89.50	-	1,191.48
Disposals/Adjustments	-	(0.59)	(272.48)	(1.26)	(6.68)	(5.93)	-	-	(286.94)
Balance as at March 31, 2019	-	1,724.57	1,203.59	96.62	111.41	327.63	266.48	-	3,730.30
Depreciation for the year	-	451.12	327.73	20.82	78.56	91.55	79.13	543.56	1,592.47
Disposals/Adjustments	-	(106.14)	(8.35)	(0.07)	(23.55)	(5.45)	-	-	(143.56)
Balance as at March 31, 2020	-	2,069.55	1,522.97	117.37	166.42	413.73	345.61	543.56	5,179.21
Net carrying amount									
Balance as at March 31, 2019	3,010.51	5,565.44	1,709.67	75.29	241.44	147.76	684.26	-	11,434.37
Balance as at March 31, 2020	3,379.72	4,809.88	1,664.45	56.93	213.10	170.04	605.13	611.64	11,510.89

Notes:

- Refer note 17(a) for information on movable assets which are pledged as security by the company to banks
- Right-of-use Asset includes (Refer Note-38) :-

Right-of-use Asset			
Particulars	Buildings	Vehicles	Total
Gross Carrying Amount			
Balance as at April 1, 2019	-	-	-
Additions on account of adoption of Ind AS 116 "Leases"	935.05	220.16	1,155.20
Disposals/Adjustments	-	-	-
Balance as at March 31, 2020	935.05	220.16	1,155.20
Accumulated Depreciation			
Balance as at March 31, 2019	-	-	-
Depreciation for the year on account of adoption of Ind AS 116 "Leases"	460.55	83.01	543.56
Disposals/Adjustments	-	-	-
Balance as at March 31, 2020	460.55	83.01	543.56
Net carrying amount	474.50	137.14	611.64

- Refer note-40 for transactions with Related Party



Notes to Standalone Financial Statement for the year ended March 31, 2020

5. CAPITAL WORK IN PROGRESS

(₹ In lacs)

Particulars	Amount
As at April 01, 2018	7.68
Additions	119.58
Less: Amount capitalized in Property, Plant and Equipment	(28.35)
Balance as at March 31, 2019	98.91
As at April 01, 2019	98.91
Additions	461.33
Less: Amount capitalized in Property, Plant and Equipment	(193.30)
Balance as at March 31, 2020	366.94

6. OTHER INTANGIBLE ASSETS

(₹ In lacs)

Particulars	Amount (Computer Software)
Gross Carrying Amount	
As at April 01, 2018	372.57
Additions	0.37
Balance as at March 31, 2019	372.94
Additions	23.01
Balance as at March 31, 2020	395.95
Accumulated Amortization	
As at April 1, 2018	74.94
Charge for the year	43.37
Balance as at March 31, 2019	118.31
Charge for the year	43.42
Balance as at March 31, 2020	161.73
Net Carrying Amount	
Balance as at March 31, 2019	254.63
Balance as at March 31, 2020	234.22



Notes to Standalone Financial Statement for the year ended March 31, 2020

7. INVESTMENTS

(₹ In lacs)

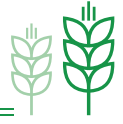
	As at March 31, 2020		As at March 31, 2019	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount
NON CURRENT				
Investment in Equity Instruments				
a. Quoted- At Fair Value through Profit & Loss				
Equity PMS-Shares of Listed Companies	-	-	PMS	280.96
PMS Advisor-Accuracap Consultancy Services Private Limited				
b. Unquoted- At Fair Value through Profit & Loss				
Units of India Build Out Fund-Venture Captial Fund	1,177.16	17.39	1,177.16	17.39
Units of Edelweiss Alternative Equity Scheme	-	-	6,44,379.62	135.32
c. Unquoted-Investment in Subsidiary at cost				
Shares of M/s Dhanuka Agri-Solutions Pvt. Ltd.	1,500.00	0.09	1,500.00	0.09
Investment in Preference Shares				
a. Quoted- At Fair Value through Profit & Loss				
Preference shares of Tata Motors Finance Ltd.	2,50,000.00	530.08	2,50,000.00	532.43
Investment in debentures or bonds				
a. Quoted- At Fair Value through Profit & Loss				
NCD - Face Value of ₹ 1000000/- each in India Grid Trust	50.00	508.85	-	-
NCD - Face Value of ₹ 100000/- each in Edelweiss Finvest Pvt. Limited	294.00	300.39	294.00	288.23
NCD - Face Value of ₹ 100000/- each in IIFL Wealth Finance Limited	300.00	304.47	300.00	327.00
NCD - Face Value of ₹ 100000/- each in Edelweiss Finvest Pvt. Limited	1,000.00	1,000.00	1,000.00	995.55
b. Quoted- At Amortised Cost				
7.35% Bonds - Face Value of ₹ 1000/- each in Indian Railway Finance Corp. Ltd.	5,878.00	58.78	5,878.00	58.78
7.28% Bonds - Face Value of ₹ 1000/- each in Indian Railway Finance Corp. Ltd.	30,200.00	302.00	30,200.00	302.00
7.35% Bonds - Face Value of ₹ 1000/- each in National Highway Authority of India	14,285.00	142.85	14,285.00	142.85
7.39% Bonds - Face Value of ₹ 1000/- each in National Highway Authority of India	7,709.00	77.09	7,709.00	77.09
7.49% Bonds - Face Value of ₹ 1000/- each in Indian Renewable Energy Development Agency Ltd	34,060.00	340.60	34,060.00	340.60
7.39% Bonds - Face Value of ₹ 1000/- each in Housing and Urban Development Corp. Ltd.	7,007.00	70.07	7,007.00	70.07
7.35% Bonds - Face Value of ₹ 1000/- each in National Bank for Agriculture and Rural Development	5,010.00	50.10	5,010.00	50.10
7.11% Bonds - Face Value of ₹ 1000/- each in Power Finance Corporation Ltd.	2,567.00	25.67	2,567.00	25.67
18.50% NCD-Face Value of ₹ 1000000/- each of Manyata Developers Pvt. Ltd.	20.00	86.39	20.00	127.37
c. Unquoted- At Amortised Cost				
Units of Annuities In Senior Secured Estate Fund	3,23,058.69	323.06	3,38,233.58	338.23
Units of IIFL Real Estate Fund-Series 2	47,09,658.52	314.60	47,09,658.52	358.98
Units of Religare Credit Investment Trust	-	0.88	22.73	41.75
Units of ICICI Prudential Real Estate	63,430.94	70.75	1,22,953.24	130.44
Units of IIFL Real Estate Fund-Series 3	18,50,000.00	79.18	18,50,000.00	84.58
d. Unquoted- At Fair Value through Profit & Loss				
Units of UTI Structured Debt Opportunities Fund	1,57,59,785.40	496.90	1,34,49,205.63	243.47



Notes to Standalone Financial Statement for the year ended March 31, 2020

(₹ In lacs)

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount
Investment in Mutual Funds				
a. Quoted- At Fair Value through Profit & Loss				
Units of UTI Fixed Term Income Fund Series-1113 Days	–	–	30,00,000.00	331.68
Units of Reliance Fixed Horizon Fund-XXXV-Series 13	30,00,000.00	357.59	30,00,000.00	327.77
Units of UTI Fixed Term Income Fund Series-1204 Days	30,00,000.00	357.14	30,00,000.00	327.51
Units of ICICI Prudential Fixed Maturity Plan Series 82-1203 Days	30,00,000.00	356.94	30,00,000.00	327.37
Units of ICICI Prudential Fixed Maturity Plan Series 82-1215 Days	30,00,000.00	357.42	30,00,000.00	327.84
Units of Aditya Birla Sun life Fixed Term Plan Series PB-1190 Days	30,00,000.00	356.49	30,00,000.00	327.08
Units of Aditya Birla Sun life Fixed Term Plan Series PC-1169 Days	30,00,000.00	356.61	30,00,000.00	326.99
Units of DSP FMP Series 219-40M	30,00,000.00	355.88	30,00,000.00	327.30
Units of DSP FMP Series 220-40M	30,00,000.00	355.88	30,00,000.00	326.32
Units of Aditya Birla Sun life Fixed Term Plan Series QX-1103 Days	30,00,000.00	345.30	30,00,000.00	318.05
Units of Aditya Birla Sun life Fixed Term Plan Series RA-1100 Days	20,00,000.00	231.14	20,00,000.00	212.13
Units of DSP FMP Series 243-36M	15,00,000.00	171.03	15,00,000.00	157.32
Units of Reliance Fixed Horizon Fund-XXXIX-Series 2	20,00,000.00	236.32	20,00,000.00	214.83
Units of UTI Fixed Term Income Fund Series XXX-I-1104 Days	15,00,000.00	155.54	15,00,000.00	156.45
Units of Bharat Bond ETF	1,00,000.00	1,040.34	–	–
Total Non Current Investment		10,133.81		8,977.59
Less: Allowance for doubtful debts		219.00		–
Total Non Current Investment		9,914.81		8,977.59
Aggregate amount of quoted investments and Market Value thereof		8,830.96		7,627.35
Aggregate amount of quoted investments and Book Value thereof		8,830.96		7,627.35
Aggregate amount of unquoted investments		1,302.85		1,350.24
Aggregate amount of impairment in value of investments		219.00		–



Notes to Standalone Financial Statement for the year ended March 31, 2020

(₹ In lacs)

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount
CURRENT				
Investment in Equity Instruments				
a. Unquoted- At Fair Value through Profit & Loss				
Units of DSP India Enhanced Equity SatCore Fund	2,00,000.00	219.00	2,00,000.00	208.58
Investment in debentures or bonds				
a. Quoted- At Fair Value through Profit & Loss				
NCD - Face Value of ₹ 100000/- each in IIFL Wealth Finance Limited	-	-	483.00	552.02
NCD - Face Value of ₹ 100000/- each in ECAP Equities Limited	-	-	978.00	1,135.15
Investment in Mutual Funds				
a. Quoted- At Fair Value through Profit & Loss				
Units of Reliance Fixed Horizon Fund-XXX-Series 13	-	-	25,00,000.00	317.34
Units of Reliance Fixed Horizon Fund-XXX-Series 17	-	-	15,00,000.00	189.55
Units of UTI Fixed Term Income Fund Series-1182 Days	-	-	30,00,000.00	381.89
Units of HDFC FMP 1161 Days Series 35	-	-	20,00,000.00	264.51
Units of UTI Fixed Term Income Fund Series-1113 Days	30,00,000.00	336.61	-	-
Units of UTI Liquid Cash Plan-Direct Growth Plan	1,14,279.58	3,715.73	-	-
Units of UTI Overnight Fund-Direct Growth Plan	14,632.14	400.06	-	-
Units of Axis Liquid Fund-Direct Growth Plan	58,997.76	1,300.51	-	-
Total Current Investment		5,971.91		3,049.04
Aggregate amount of quoted investments and Market Value thereof		5,752.91		2,840.46
Aggregate amount of quoted investments and Book Value thereof		5,752.91		2,840.46
Aggregate amount of unquoted investments		219.00		208.58
Aggregate amount of impairment in value of investments		-		-

Notes to Standalone Financial Statement for the year ended March 31, 2020

9. OTHER FINANCIAL ASSETS

(₹ In lacs)

Unsecured, Considered good unless otherwise stated		As at March 31, 2020	As at March 31, 2019
Non Current			
	Fixed Deposits With Banks*	2,217.54	951.56
	Claim Receivable	–	32.88
		2,217.54	984.44
Current			
	Interest Accrued On Loans and Investment	51.50	46.40
	Claim Receivable	1,163.19	6,492.42
		1,214.69	6,538.82
Footnotes :			
a.	*Includes interest accrued thereon. Lien marked against the Overdraft facility taken from bank as shown under the head "Borrowings"		
b.	There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.		

10. INVENTORIES

(₹ In lacs)

		As at March 31, 2020	As at March 31, 2019
	Raw materials*	7,875.38	4,479.71
	Packing materials**	1,547.09	1,742.59
	Work in Progress	689.12	810.11
	Finished Goods***	11,265.37	11,063.87
	Stock in Trade****	3,535.90	2,480.58
	Store and spares	72.84	106.15
	TOTAL	24,985.70	20,683.01
Footnotes :			
a.	The mode of valuation of inventories has been stated in note no 3(f)		
b.	Refer note 17(a) for information on Inventories pledged as security by the company to banks		
c.	*: Stock of Raw Materials includes value of goods in transit of ₹ 1036.32 lacs [March 31, 2019 : ₹ 228.13 lacs]		
d.	**: Stock of Packing Materials includes value of goods in transit of ₹ 61.45 lacs [March 31, 2019 : ₹ 38.83 lacs]		
e.	***: Stock of Finished Goods includes value of goods in transit of ₹ 462.50 lacs [March 31, 2019 : ₹ 158.60 lacs]		
f.	****: Stock in Trade includes value of goods in transit of ₹ 137.36 lacs [March 31, 2019 : ₹ 7.01 lacs]		
g.	Cost of Inventories recognized as an expense during the year amount to ₹ 74,095.82 lacs [P.Y. ₹ 64,756.23 lacs]		



Notes to Standalone Financial Statement for the year ended March 31, 2020

8. LOANS

(₹ In lacs)

Unsecured, Considered good unless otherwise stated	As at March 31, 2020	As at March 31, 2019
Non Current		
Loans to employees	15.28	16.54
Loan to Subsidiary#	11.56	11.56
Security Deposits	362.81	325.40
	389.65	353.50
Break up of Security Details		
Loans considered good-Secured	–	–
Loans considered good-Unsecured	389.65	353.50
Loans which have significant increase in Credit Risk	–	–
Loans-Credit impaired	–	–
Total	389.65	353.50
Less : Allowance	–	–
Total	389.65	353.50
Current		
Loans to employees	92.37	70.13
Security Deposits	202.30	168.29
Loans to corporates and others		
Unsecured, Considered good*	2,600.00	3,050.00
Doubtful	545.71	195.71
Less: Allowance for doubtful debts	(295.71)	(195.71)
	3,144.67	3,288.42
Break up of Security Details		
Loans considered good-Secured	–	–
Loans considered good-Unsecured	2,894.67	3,288.42
Loans which have significant increase in Credit Risk	350.00	–
Loans-Credit impaired	195.71	195.71
Total	3,440.38	3,484.13
Less : Allowance	(295.71)	(195.71)
Total	3,144.67	3,288.42
Footnotes :		

a. #The same is in the nature of advance. Refer Note-40.

b. *Includes amount due to related parties amounting to ₹ 2500.00 Lacs (March 31, 2019 ₹ 2500 Lacs). Refer Note-40.

c. There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.



Notes to Standalone Financial Statement for the year ended March 31, 2020

11. TRADE RECEIVABLES

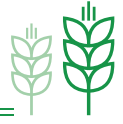
(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered good*	24,704.52	22,200.20
Less: Allowance for doubtful debts (expected credit loss allowance) (Refer Note-43)	(463.66)	(332.60)
TOTAL	24,240.86	21,867.60
Break up for Security Details		
Trade Receivables considered good-Secured	-	-
Trade Receivables considered good-Unsecured	24,704.52	22,200.20
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables-Credit impaired	-	-
TOTAL	24,704.52	22,200.20
Less: Allowance for doubtful debts (expected credit loss allowance) (Refer Note-43)	(463.66)	(332.60)
TOTAL	24,240.86	21,867.60
Footnotes :		
a. *Of the above, trade receivable from related parties are given below :		
Unsecured, considered good (Refer note-40)	2.93	-
b. Refer note 17(a) for information on Trade Receivable pledged as security by the company to banks		
c. There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.		

12. CASH & CASH EQUIVALENTS

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Cash & Cash Equivalents		
Balance With Banks in Current Account	216.29	5.30
Cash on Hand	102.10	40.19
Cheques / Drafts in Hand	2.54	-
Fixed Deposits With Banks*	2,201.54	-
	2,522.47	45.49
Bank Balance other than Cash and Cash Equivalents		
Balance With Banks in Unpaid Equity Dividend Account**	106.37	87.60
	106.37	87.60
Footnotes :		
a. *Includes interest accrued thereon		
b. **Earmarked against the corresponding unclaimed dividend liabilities as shown under the head "Other financial liabilities"		



Notes to Standalone Financial Statement for the year ended March 31, 2020

13. CURRENT TAX ASSETS

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Advance Income Tax (Net of Provision for Income Tax)	457.15	1,426.94
	457.15	1,426.94

14. OTHER ASSETS

(₹ In lacs)

Unsecured, Considered good unless otherwise stated	As at March 31, 2020	As at March 31, 2019
Non Current		
Capital Advance	1,784.26	1,801.16
Receivables from Govt. Authorities	80.34	88.53
Deposits with Public Authorities	58.06	57.29
Prepaid expenses	29.33	32.17
Prepaid Lease Rental	–	7.00
Other Advances	8.41	10.54
	1,960.40	1,996.69
Current		
Prepaid expenses	315.67	307.59
Prepaid Lease Rental	–	15.46
Advances To Vendor	1,814.22	1,221.36
Receivables from Govt. Authorities	1,760.79	822.97
DEPB Licence In Stock	–	20.31
Other Advances*	102.27	57.62
	3,992.95	2,445.31
Footnotes :		
a. *Includes advances given to employees		

15. EQUITY SHARE CAPITAL

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Authorized Share capital		
14,21,00,000 equity shares of ₹2/- each	2,842.00	2,842.00
Issued, subscribed and fully paid up		
4,75,78,324 equity shares of ₹2/- each	951.57	951.57
[Last Year 4,75,78,324 equity shares of ₹2/- each]	951.57	951.57
Notes:		



Notes to Standalone Financial Statement for the year ended March 31, 2020

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

(₹ In lacs)

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount
Opening	4,75,78,324	951.57	4,90,78,324	981.57
Issued during the period	-	-	-	-
Shares Extinguished on buy back*	-	-	1,500,000	30.00
Closing at the end of the year	4,75,78,324	951.57	4,75,78,324	951.57

*The Board of Directors of the Company in its meeting held on 14th November, 2018, have approved the proposal for buyback of 15,00,000 Equity shares of the Company for an amount not exceeding ₹ 82.50 crores (Rupees Eighty-Two Crore Fifty Lakh only) at a maximum price not exceeding ₹ 550/- (Rupees Five Hundred Fifty only) per Equity Share, which was further approved by the shareholders of the Company by way of special resolution through postal ballot, result of which was declared on 20th December, 2018.

Pursuant to above, Offer for Buy back of equity shares of Company was open from 25th January, 2019 to 7th February, 2019. The settlement of shares was completed on 14th February, 2019 and 15,00,000 shares were extinguished on 16th February, 2019 in terms of SEBI (Buy Back of Securities) Regulations, 2018. Consequent to above Buy Back, paid up share capital of the Company have been reduced by ₹ 30,00,000/-.

b. Terms/Rights attached to Issued Equity Shares

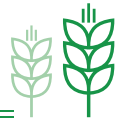
1	The Company has only one class of Equity Shares having at par value of ₹2/- per share. Each Equity share is entitled to one vote.
2	In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts.
3	The distribution will be in proportion to the number of Equity Shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the company

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares (In Lacs)	% holding	No. of Shares (In Lacs)	% holding
M/s Triveni Trust	290.35	61.03%	290.35	61.03%
M/s Pushpa Dhanuka Trust	51.84	10.90%	51.84	10.90%
M/s DSP Blackrock Trustee Co. Pvt Ltd	34.84	7.32%	34.84	7.32%

As per the records of the Company, including its Register of Shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

d. The Company does not have any holding / ultimate holding company



Notes to Standalone Financial Statement for the year ended March 31, 2020

16. OTHER EQUITY

(₹ In lacs)

Reserves and Surplus	As at March 31, 2020	As at March 31, 2019
Capital Reserve		
Balance at the beginning of the Financial year	95.47	95.47
Addition during the Financial year	–	–
Deduction during the Financial year	–	–
	95.47	95.47
Capital Reserve includes profit on merger of entities		
Capital Redemption Reserve		
Balance at the beginning of the Financial year	48.82	18.82
Addition during the Financial year	–	30.00
Deduction during the Financial year	–	–
	48.82	48.82
Capital Redemption Reserve created on redemption of Equity shares		
General Reserve		
Balance at the beginning of the Financial year	–	2,455.03
Add: Transferred during the year	–	–
Less: Buy back of shares	–	(2,455.03)
	–	–
General Reserve is created out of the profits earned by the company by way of transfer from surplus in the statement of profit & loss. The same is to be utilized as per provisions of the Companies Act, 2013.		
Retained Earnings		
Balance at the beginning of the Financial year	63,126.16	59,784.99
Addition during the Financial year	14,146.50	11,257.58
Less: Buy back of shares	–	(5,794.97)
Add/ (Less):		
Remeasurements of the defined benefit plans through OCI	(371.62)	(50.62)
Dividend paid including Dividend Distribution Tax (DDT)	(7,227.14)	(2,070.82)
	69,673.90	63,126.16
Total	69,818.19	63,270.45
Retained Earnings represents undistributed profits of the company which can be distributed to its Equity Shareholders in accordance with the requirements of Companies Act, 2013.		
Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.		



Notes to Standalone Financial Statement for the year ended March 31, 2020

Detail of Dividend Paid

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
a.) Dividend Paid		
Final Dividend Declared for F.Y. 2017-18 [Dividend Paid ₹ 3.50 per share]	-	1,717.74
Dividend Distribution Tax	-	353.08
Final Dividend Declared for F.Y. 2018-19 [Dividend Paid ₹ 0.60 per share]	285.47	-
Dividend Distribution Tax	58.68	-
Interim Dividend Declared for F.Y. 2019-20 [Dividend Paid ₹12.00 per share]	5,709.40	-
Dividend Distribution Tax	1,173.59	-
	7,227.14	2,070.82

17 BORROWINGS (CURRENT)

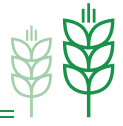
(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Secured		
From Banks-Loan Repayable on Demand		
Cash Credit limits from Banks	0.82	1,396.71
Over Draft Against Pledge of FDR	797.67	824.54
	798.49	2,221.25
Footnotes :		
a.	Cash Credit Limits from Banks are secured by hypothecation of stocks of raw materials, work in process, finished goods, book debts and other movable assets on pari-passu basis and by joint and several guarantee of the Directors of the Company. Loan from Banks are repayable on demand and carried interest @ 8.85% to 10.15% p.a.	
b.	Overdraft facilities has been taken from bank against Lien mark of Fixed Deposits as shown under the head "Other Non Current Financial Assets"	

18. TRADE PAYABLES

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	693.34	117.81
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises*	10,627.76	7,635.36
	11,321.10	7,753.17
Footnotes :		
a.	*Includes amount due to related parties amounting to ₹ 688.85 Lacs (March 31, 2019 ₹ 590.68 Lacs)-Refer Note-40	
b.	Refer note 41 for information on total outstanding dues of micro enterprises and small enterprises	



Notes to Standalone Financial Statement for the year ended March 31, 2020

19. OTHER FINANCIAL LIABILITIES

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Security Received from Customers*	1,342.43	1,284.49
Security received from Staff	–	0.84
Capital Creditors	–	245.44
Lease Liability	257.95	–
	1,600.38	1,530.77
Unclaimed Dividend**	106.37	87.60
Capital Creditors	68.52	82.54
Other Payable***	5,587.84	4,157.19
Lease Liability	231.07	–
	5,993.80	4,327.33

Footnotes :

- *Security Received from Customers includes Security Received from C&F Agents
- **There are no outstanding dues to be paid to Investor Education & Protection Fund.
- ***Other payables includes Employee related costs and provision of Expenses and discounts and rebates on sale.

20. PROVISIONS

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Provision For Employee Benefits		
Non Current		
Provision for Gratuity	496.84	161.61
Provision for Compensated absences	72.01	81.36
	568.85	242.97
Current		
Provision for Compensated absences	25.58	27.55
	25.58	27.55

Footnotes :

- Refer note 36(b) for information on Defined benefit plans-Gratuity

21. DEFERRED TAX LIABILITIES (NET)

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities	786.83	1,407.00
Deferred Tax Assets	(252.92)	(186.33)
	533.91	1,220.67



Notes to Standalone Financial Statement for the year ended March 31, 2020

(₹ In lacs)

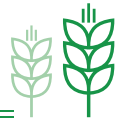
		As at April 1 st , 2018	Recognized in P&L	As at March 31, 2019
Deferred tax (assets)/ liabilities are attributable to the following items :				
Deferred Tax Liabilities				
	Property, plant and equipment & Intangible assets	1,202.17	(106.84)	1,095.33
	Investments	185.36	126.31	311.67
	Total-(A)	1,387.53	19.47	1,407.00
Deferred Tax Assets				
	Amalgamation Expenses	(3.40)	1.68	(1.72)
	Trade Receivables	(50.64)	(133.97)	(184.61)
	Total-(B)	(54.04)	(132.29)	(186.33)
	Net Deferred Tax Liability	(A+B)	(112.82)	1,220.67

		As at April 1 st , 2019	Recognized in P&L	As at March 31, 2020
Deferred tax (assets)/ liabilities are attributable to the following items :				
Deferred Tax Liabilities				
	Property, plant and equipment & Intangible assets	1,095.33	(491.89)	603.44
	Investments	311.67	128.28	183.39
	Total-(A)	1,407.00	620.17	786.83
Deferred Tax Assets				
	Amalgamation Expenses	(1.72)	1.72	-
	Trade Receivables	(184.61)	(61.62)	(246.23)
	Lease Liability	-	(6.69)	(6.69)
	Total-(B)	(186.33)	(66.59)	(252.92)
	Net Deferred Tax Liability	(A+B)	(686.76)	533.91

22. OTHER LIABILITIES

(₹ In lacs)

		As at March 31, 2020	As at March 31, 2019
Non Current			
	Advances from customers	-	-
		-	-
Current			
	Advances from customers	1,026.14	942.80
	Statutory dues payable	593.21	1,043.83
		1,619.35	1,986.63



Notes to Standalone Financial Statement for the year ended March 31, 2020

23. REVENUE FROM OPERATIONS

(₹ In lacs)

		For the year ended March 31, 2020	For the year ended March 31, 2019
a.	Revenue From Operations		
	Sales of products		
	Finished Goods		
	-Agrochemical	94,983.67	85,711.68
	Traded Goods		
	-Agrochemical	15,878.24	13,717.67
		(A) 1,10,861.91	99,429.35
	Other operating revenues		
	Income From Power Generation Plant	171.78	178.94
	Scrap Sales	317.77	308.99
	Tax Incentive from Govt.	655.62	666.52
		(B) 1,145.17	1,154.45
	Total Revenue	(A)+(B) 1,12,007.08	1,00,583.80
b.	Reconciliation of Revenue from contract with customers :		
	Revenue as per contracted price	1,24,393.66	1,13,575.53
	Less : Discounts & Rebates	12,386.57	12,991.73
	Revenue from contract with customers	1,12,007.08	1,00,583.80
c.	Contract balances :		
	The following table provides information about receivables, contract assets and contract liabilities from contracts with customers :		
		As at March 31, 2020	As at March 31, 2019
	Trade Receivables*	24,240.86	21,867.60
		24,240.86	21,867.60
	Contract Liabilities		
	Advances from Customers	1,026.14	942.80
		1,026.14	942.80
	* Trade receivables are non-interest bearing and are generally on terms of 90 to 120 days.		
d.	The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) is as follows :		
		As at March 31, 2020	As at March 31, 2019
	Advances from customers	1,026.14	942.80
		1,026.14	942.80



Notes to Standalone Financial Statement for the year ended March 31, 2020

24. OTHER INCOME

(₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income on Financial Assets at amortised cost	1,124.69	714.40
Dividend Income	291.10	159.94
Net Gain on sale of investments	83.58	280.11
Net Gain on Investments measured at fair value through profit or loss	380.77	352.79
Other Non-Operating Income		
Rent Received	9.83	5.82
Miscellaneous Receipts	360.43	538.54
Net Gain On Foreign Currency Transactions	-	38.18
Net Profit on disposal of property, plant and equipment	8.91	13.11
Liabilities No Longer Required, Written Back	249.53	17.56
	2,508.84	2,120.45

a. Refer note-40 for transactions with Related Party

25. COST OF MATERIALS CONSUMED

(₹ In lacs)

		For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Materials			
Inventories at the beginning of the financial year		4,479.71	6,570.93
Add : Purchases		54,980.10	46,147.38
Less : Inventories at the end of the financial year		(7,875.38)	(4,479.71)
Cost of Raw Material Consumed	(A)	51,584.43	48,238.60
Packing Materials			
Inventories at the beginning of the financial year		1,742.59	1,674.87
Add : Purchases		6,464.95	6,459.27
Less : Inventories at the end of the financial year		(1,547.09)	(1,742.59)
Cost of Packing Materials Consumed	(B)	6,660.45	6,391.55
	(A)+(B)	58,244.88	54,630.15

26. PURCHASE OF STOCK IN TRADE

(₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Agrochemical	14,060.05	9,250.76
	14,060.05	9,250.76

Notes to Standalone Financial Statement for the year ended March 31, 2020

27. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN -TRADE AND WORK-IN-PROGRESS (₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the end of the period		
Stock in Trade	3,535.90	2,480.58
Work in Progress	689.12	810.11
Finished Goods	11,265.37	11,063.87
	15,490.39	14,354.56
Inventories at the beginning of the period		
Stock in Trade	2,480.58	2,321.70
Work in Progress	810.11	674.50
Finished Goods	11,063.87	9,144.17
	14,354.56	12,140.37
(Increase)/Decrease in Inventories	(1,135.83)	(2,214.19)

28. EMPLOYEE BENEFIT EXPENSES (₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	9,435.89	9,453.37
Contribution to Provident & Other funds	428.03	427.16
Gratuity	125.26	111.00
Compensated absences	289.00	236.30
Staff Welfare Expenses	244.63	237.96
	10,522.81	10,465.79
Footnotes :		

- Refer note 36(a) for information on Defined Contribution plan
- Refer note 36(b) for information on Defined benefit plan-Gratuity
- Refer note 36(c) for information on Other employee benefits-Compensated absences
- Refer note-40 for transactions with Related Party

29. FINANCE COSTS (₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on bank overdraft & working capital limits	19.21	15.65
Interest On lease liability	64.38	-
Interest on Security Deposits & others	72.10	73.64
	155.69	89.29

30. DEPRECIATION AND AMORTIZATION EXPENSES (₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on Property, Plant & Equipment (Refer Note-4)	1,592.47	1,191.48
Amortization of Intangible Assets (Refer Note-6)	43.42	43.37
	1,635.89	1,234.85

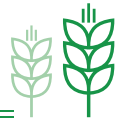


Notes to Standalone Financial Statement for the year ended March 31, 2020

31. OTHER EXPENSES

(₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Power, fuel, electricity & water charges	164.21	190.15
Consumable Stores	78.93	110.62
Packing Charges	221.39	188.88
Repair & Maintenance, Machinery	147.47	106.86
Repair & Maintenance, Factory Building	27.01	73.58
Incineration Charges	1.35	2.53
Security Charges	52.46	69.55
Laboratory expenses	30.78	29.58
ISI Marking Fees	5.71	6.87
R&D expenses	352.13	223.20
Travelling and conveyance	1,086.83	1,377.35
Communication Expenses	109.09	137.56
Postage and Telegram	30.56	36.77
Printing and Stationery	49.72	56.45
Office and Godown Rent	113.33	558.50
Rates and Taxes	56.88	152.95
Insurance Charges	315.60	180.78
Legal and Professional Charges	447.41	337.21
Repair & Maintenance-Building	232.99	193.11
Repair & maintenance-Other	285.34	175.01
Security Charges-Offices	37.08	25.07
Electricity & Water Charges	65.47	62.48
Books and Periodicals	3.07	2.71
Recruitment Expenses	37.88	33.49
Fees and Subscription	38.64	35.69
Charity and Donation	14.15	9.57
Bank Charges	15.12	14.26
Miscellaneous Expenses	8.83	9.56
Directors' Sitting Fee	9.00	11.60
Payment To Auditors (Refer Note 31.1)	17.14	15.52
Vehicles Hiring & Maintenance	1,035.37	1,400.75
Net Loss On Foreign Currency Transactions	42.00	-
Property, Plant and Equipment Written off	-	15.05
Loss On Insurance Claim Received	26.87	-
CSR Expenses (Refer Note 31.2)	323.17	333.09
Education and Seminar	656.01	717.87
Advertisement and Publicity	488.42	596.36
Business Promotion Expenses	156.53	123.03
Allowance for Bad and Doubtful Debts & Loans (Net)	425.58	348.41
Freight & Cartage on STV & Sales	3,361.90	3,120.39
Field Assistant Expenses	1,363.55	1,529.29
C&F Commission	1,033.26	1,240.38
	12,968.23	13,852.08



Notes to Standalone Financial Statement for the year ended March 31, 2020

(₹ In lacs)

		For the year ended March 31, 2020	For the year ended March 31, 2019
31.1	Payment to Auditors		
	Statutory Auditors		
	Audit Fees	11.00	9.00
	Limited Review Fees	3.00	3.00
	Tax Audit Fees	2.00	2.00
	Certification & Other Matters	–	1.00
	Reimbursement of expenses	1.14	0.52
	TOTAL	17.14	15.52

(₹ In lacs)

		For the year ended March 31, 2020	For the year ended March 31, 2019
31.2	Amount Spent on CSR Activities		
	Gross amount required to be spent by the company during the year	322.49	315.72
	Amount spent during the year		
	Promotion of Education	240.10	192.09
	Preventive Healthcare	26.34	51.42
	Eradicating Hunger	1.08	9.00
	Safe Drinking Water	–	3.13
	Livelihood Enhancement Projects	33.50	9.96
	Facilities for Senior Citizens	0.50	0.50
	Environmental Sustainability	21.65	66.99
		323.17	333.09

32. EXCEPTIONAL ITEMS

(₹ In lacs)

		For the year ended March 31, 2020	For the year ended March 31, 2019
	Insurance Claim Receivable	–	5,661.59
	Loss Due to Fire	–	(5,661.59)
		–	–

Footnotes :

There was a fire incident in our manufacturing unit situated at Keshwana, Rajasthan on 30th September, 2018. Due to fire, Loss as well as Claim receivable against Inventory and other tangible assets worth ₹ 5661.59 lacs has been recognized in book of account in the previous Year. Now Company has received this claim in FY 19-20



Notes to Standalone Financial Statement for the year ended March 31, 2020

33. INCOME TAX EXPENSE

a. Income tax recognized in profit or loss

(₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax expense		
Current Tax	4,604.46	5,283.03
Tax of earlier year provided / written back	-	(1,032.27)
Deferred tax expense		
Origination and reversal of temporary differences	(686.76)	(112.82)
	3917.70	4,137.94

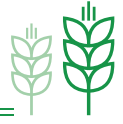
b. Reconciliation of effective tax rate

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	18,064.20	15,395.52
Tax using the Company's domestic tax rate i.e. 25.168% (Last Year-34.944%)	4,546.40	5,379.81
Effect of Expenses not deductible for tax purpose	95.62	82.28
Effect of Income Exempt from tax	(107.70)	(118.98)
Effect of Concessions and Tax incentives	(0.66)	(135.54)
Effect of Lower tax Rate for the capital gains	(66.78)	(30.32)
Other	(93.53)	(17.69)
Adjustment in respect of current tax related to earlier years	-	(1,032.27)
Adjustment in respect of Deferred tax related to earlier years	(455.65)	10.65
Income tax Expenses recognised in the statement of profit and loss	3,917.70	4,137.94

34. OTHER COMPREHENSIVE INCOME

(₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	(371.62)	(50.62)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-
(i) Items that will be reclassified to profit or loss	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-
	(371.62)	(50.62)



Notes to Standalone Financial Statement for the year ended March 31, 2020

35. Earnings per share (EPS)

(₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit for Basic & diluted EPS (₹ In Lacs)	14146.50	11,257.58
Number of Equity Shares at the beginning of the year	4,75,78,324.00	4,90,78,324.00
Add: Shares issued during the year	–	–
Less : Shares bought back during the year	–	15,00,000.00
Total Number of Shares outstanding at the end of the year	4,75,78,324.00	4,75,78,324.00
Weighted Average number of Equity Shares outstanding during the year	4,75,78,324.00	4,89,01,611.67
Earnings Per Share - Basic (₹)	29.73	23.02
Earnings per share - Diluted (₹)	29.73	23.02
Face value per share (₹)	2.00	2.00

36. EMPLOYEE BENEFITS

The company participates in defined contribution and benefit schemes, the funded assets of which are held in separately administered funds. For defined contribution schemes the amount charged to the statements of profit & loss is the total of contributions payable in the year.

a. Defined Contribution Plans

The Company has Defined Contribution Plans for post-employment benefits namely Provident Fund, Superannuation Fund and National Pension Scheme, which are administered by appropriate Authorities.

The Company contributes to a Government administered Provident Fund, Employees' Deposit Linked Insurance Scheme and Employee Pension Scheme, on behalf of its employees and has no further obligation beyond making its contribution.

The Superannuation Fund and National Pension Scheme applicable to certain employees is a Defined Contribution Plan as the Company contributes to these Schemes which are administered by an Insurance Company and has no further obligation beyond making the payment to the Insurance Company.

The Company contributes to State Plans namely Employees' State Insurance Fund and has no further obligation beyond making the payment to them.

The Company's contributions to the above funds are charged to revenue every year.

The company has recognized an expense of ₹ 426.14 lacs (Previous year ₹ 426.61 lacs) towards the defined contribution plans.

b. Defined Benefit Plans

In accordance with the payment of Gratuity Act, 1972, the Company has a Defined Benefit Plan namely "Gratuity Plan" covering its employees. The Gratuity scheme is funded through Group Gratuity-cum-Life Assurance Scheme and the liability for the Gratuity plan is provided based on an actuarial valuation at the year-end. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.



Notes to Standalone Financial Statement for the year ended March 31, 2020

I. Changes in the Present Value of Obligation

(₹ In lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Present Value of Obligation as at the beginning	1,227.12	1,104.49
Current Service Cost	113.76	103.22
Interest Expense or Cost	87.31	82.78
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	0.30	-
- change in financial assumptions	154.71	68.27
- experience variance (i.e. Actual experience vs assumptions)	63.37	3.24
Past Service Cost	-	-
Benefits Paid	(148.33)	(134.88)
Present Value of Obligation as at the end	1,498.24	1,227.12

II. Changes in the fair value of plan assets

(₹ In lacs)

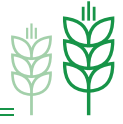
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fair Value of Plan Assets as at the beginning	1,065.51	1,000.77
Investment Income	75.81	75.00
Employer's Contribution	161.65	103.72
Benefits Paid	(148.33)	(134.88)
Return on plan assets , excluding amount recognized in net interest expense	153.24	20.90
Fair Value of Plan Assets as at the end	1,001.40	1,065.51

The plan assets are managed by the Gratuity trust formed by the company. The management of 100% of the funds is entrusted with the Life Insurance Corporation of India and HDFC Life Insurance Company Limited whose pattern of investment is not available with the company.

III. Assets and Liability (Balance Sheet Position)

(₹ In lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Present Value of Obligation	1,498.24	1,227.12
Fair Value of Plan Assets	1,001.40	1065.51
Surplus / (Deficit)	(496.84)	(161.61)
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	(496.84)	(161.61)



Notes to Standalone Financial Statement for the year ended March 31, 2020

IV. Bifurcation of present value of obligation at the end of the year

(₹ In lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Liability (Short term)	439.07	398.13
Non-Current Liability (Long term)	1,059.17	828.99
Present Value of Obligation	1,498.24	1,227.12

V. Expenses Recognized during the period

(₹ In lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
In Income Statement	125.26	111.00
In Other Comprehensive Income	371.62	50.62
Total Expenses Recognized during the period	496.88	161.62

VI. Actuarial Assumptions

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate (per annum)	5.60%	7.10%
Salary growth rate (per annum)	10.00%	9.00%
Mortality rate {% of IALM 12-14 (P.Y. 06-08)}	100.00%	100.00%
Attrition / Withdrawal rate (per annum)	15.00%	15.00%

VII. Sensitivity Analysis

Significant actuarial assumptions for the determination of defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis given below:

(₹ In lacs)

Particulars	31 March, 2020		31 March, 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	1573.12 5.00%	1430.44 -4.50%	1283.06 4.60%	1176.12 -4.20%
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	1434.94 -4.20%	1566.68 4.60%	1178.22 -4.00%	1279.75 4.30%
Attrition Rate (- / + 50% of attrition rates) (% change compared to base due to sensitivity)	1647.90 10.00%	1421.52 -5.10%	1282.42 4.50%	1194.77 -2.60%
Mortality Rate (- / + 10% of mortality rates) (% change compared to base due to sensitivity)	1498.60 0.00%	1497.88 0.00%	1227.23 0.00%	1227.01 0.00%



Notes to Standalone Financial Statement for the year ended March 31, 2020

VIII. Expected Contribution during the next annual reporting period

(₹ In lacs)

The Company's best estimate of Contribution during the next year	622.69
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IX. Maturity profile of defined Benefit obligation

(₹ In lacs)

Expected cash flows over the next (valued on undiscounted basis):	Amount
1 year	439.07
2 to 5 years	668.56
6 to 10 years	518.73
More than 10 years	407.18

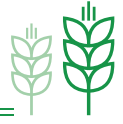
X. Method and assumption related terms

- 1) Discount Rate:** - Discount rate is the rate which is used to discount future benefit cash flows to determine the present value of the defined benefit obligation at the valuation date. The rate is based on the prevailing market yields of high quality corporate bonds at the valuation date for the expected term of the obligation. In countries where there are no such bonds, the market yields at the valuation date on government bonds for the expected term is used.
- 2) Salary escalation Rate:** - The rate at which salaries are expected to escalate in future. It is used to determine the benefit based on salary at the date of separation.
- 3) Attrition Rate:** - The reduction in staff/employees of a company through normal means, such as retirement and resignation. This is natural in any business and industry.
- 4) Mortality Rate:** - Mortality rate is a measure of the number of deaths (in general, or due to a specific cause) in a population, scaled to the size of that population, per unit of time.
- 5) Projected Unit credit method:** - The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The Projected Unit Credit Method requires an enterprise to attribute benefit to the current period (in order to determine current service cost) and the current and prior periods (in order to determine the present value of defined benefit obligations).

c. Other Long term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in statement of profit and loss.

The company has recognized an expense of ₹ 289.00 lacs (Previous year ₹ 236.30 lacs) towards the compensated absences



Notes to Standalone Financial Statement for the year ended March 31, 2020

37. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In lacs)

S. No.	Particular	As at March 31, 2020	As at March 31, 2019
I	Contingent Liabilities		
a.	Claims against the company not acknowledged as debt*		
	–Income Tax	–	–
	–Excise Duty (Net of expenses recognized of Rs. 70.70 Lacs)	637.81	700.60
	–Service Tax (Net of expenses recognized of Rs. 65.20 Lacs)	111.05	111.05
	–Sales Tax	158.10	172.99
	–Litigation pending in consumer forum	54.31	60.70
	–Other**	2,980.00	–
b.	Guarantees excluding financial guarantees		
	–Bank Guarantees	23.30	–
c.	Other money for which the company is contingently liable		
	–'C' forms pending against central sales tax	0.10	0.10
d.	There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. Due to pending decision on the subject review petition and directions from EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.		
II	Commitments		
	–Estimated amount of contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 24.10 lacs (March 31, 2019 : ₹ 36.75 lacs)}	96.80	70.03

* Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above as it is determinable only on receipt of the judgements/ decisions pending with various forums / authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The company also believes that the above issues, when finally settled are not likely to have any significant impact on the financial position of the Company.

** Company has received Refund of Terminal Excise Duty (TED) during FY 2015-16 & FY 2016-17 from Director General of Foreign Trade (DGFT). In November-2019, company has received show cause notice from DGFT for recovery of erroneous payment of Terminal Excise Duty. Against this notice, company has filed writ before Gujarat High Court and the court has stayed the recovery of the notice. As on now the matter is pending before Gujarat High Court.

38. LEASES

The Company's lease asset primarily consist of leases for offices, warehouses and Vehicles having the various lease terms. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the cumulative effect of initially applying the standard recognised at the date of initial application, with right-of-use asset recognised at an amount equal to the lease liability, adjusted by the prepaid lease rent

The adoption of Ind AS 116 did not have any material impact on Statement of profit and loss and earnings per share.

Presentational changes:

The first-time application of Ind AS 116 as of April 1, 2019, resulted in the recognition of lease liabilities and Right-of-use assets adjusted by the amount of prepaid lease Rental.

In the Statement of Profit and Loss, the Company recognised the depreciation of the right-of-use assets and the interest expense for the lease liabilities under Ind AS 116 instead of Rent expenses for operating leases in Other Operating Expenses as per Ind AS 17.



Notes to Standalone Financial Statement for the year ended March 31, 2020

In the Statement of Cash Flows, Ind AS 116 had a positive effect on the operating cash flow by reducing cash outflows from operating activities, while the repayment component of lease payments and the interest expense are recognised in cash outflows from financing activities.

a. Right of Use

Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020 :-

(₹ In lacs)

Particulars	As at March 31, 2020
- Additions during the FY 2019-20	1,155.20
- Depreciation Charge	(543.56)
- Carrying amount as at 31 March, 2020	611.64

b. Lease Liability

The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

(₹ In lacs)

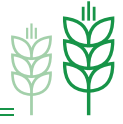
Particulars	As at March 31, 2020
- Additions during the FY 2019-20	984.64
- Finance Cost accrued during the year	64.38
- Cash outflow/payment of Lease liability	(560.00)
- Carrying amount as at 31 March, 2020	489.02

- c. The company has elected Para 6 of Ind AS-116 for short-term leases & recognised lease expense of Rs. 113.33 lakh associated with these lease.
- d. The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.
- e. The Maturity analysis of lease liabilities are disclosed in Note 43(b)

39. SEGMENT INFORMATION

The company has evaluated the applicability of segment reporting and has concluded that the company has only one primary business segment i.e. Agro Chemicals and one geographical reportable segment i.e. Operations mainly within India. The overall performance is reviewed by the Chairman, Managing Director, Executive directors and CFO, which has been identified as the CODM (Chief operating decision makers) by the Company.

Thus the segment revenue, expenses, results, assets and liabilities are same as reflected in the financial statements as at and for the year ended 31 March, 2020.



Notes to Standalone Financial Statement for the year ended March 31, 2020

40. RELATED PARTY DISCLOSURES

a. Nature of Related Party Relationship

I. Subsidiaries

- a.) Dhanuka Agri-Solutions Pvt. Limited Wholly owned Subsidiary

II. Key Management personnel

- a.) Sh. Ram Gopal Agarwal Chairman
b.) Sh. Mahendra Kumar Dhanuka Managing Director
c.) Sh. Arun Kumar Dhanuka Executive Director
d.) Sh. Rahul Dhanuka Executive Director
e.) Sh. Mridul Dhanuka Executive Director
f.) Sh. Harsh Dhanuka Executive Director (W.e.f. 21st May, 2019)
g.) Sh. Ashish Saraf Executive Director
h.) Sh. Priya Brat Independent Non-Executive Director
i.) Sh. Vinod Kumar Jain Independent Non-Executive Director
j.) Sh. Indresh Narain Independent Non-Executive Director
k.) Sh. Sachin Kumar Bhartiya Independent Non-Executive Director
l.) Smt. Asha Mundra Independent Non-Executive Director (Till 20th May, 2019)
m.) Sh. Om Prakash Khetan Independent Non-Executive Director (Till 20th May, 2019)
n.) Sh. Sanjay Saxena Independent Non-Executive Director
o.) Sh. Bajrang Lal Bajaj Independent Non-Executive Director (W.e.f. 21st May, 2019)
p.) Smt. Namrata Gupta Independent Non-Executive Director (W.e.f. 21st May, 2019)
q.) Sh. Vinod Kumar Bansal Chief Financial Officer
r.) Smt. Jyoti Verma Company Secretary (till 11th Nov, 2019)
s.) Sh. Jitin Sadana Company Secretary (w.e.f. 13th Feb, 2020)

III. Relatives of Key Management Personnel with whom transactions have taken place

- a.) Sh. Harsh Dhanuka Son of Sh. Mahendra Kumar Dhanuka (Till 20th May, 2019)
b.) Smt. Megha Dhanuka Wife of Sh. Mridul Dhanuka
c.) Smt. Akangsha Dhanuka Wife of Sh. Harsh Dhanuka
d.) Smt. Madhuri Dhanuka Wife of Sh. Rahul Dhanuka

IV. Entities controlled by KMP/Relative of KMP, with whom transactions have taken place

- a.) Dhanuka Marketing Company
b.) Mridul Dhanuka HUF
c.) Dhanuka Private Limited
d.) Dhanuka Laboratories Limited
e.) Chiranji Lal Dhanuka Charitable Trust
f.) Triveni Trust
g.) Sikkim Agro Industries Limited
h.) Golden Overseas Pvt. Limited
i.) M.D. Buildtech Pvt. Limited
j.) H.D. Realtors Pvt. Limited
k.) Dhanuka Infotech Pvt. Limited
l.) Otsuka Chemical (India) Pvt. Limited
m.) IKO Overseas
n.) Synmedic Laboratories
o.) Synmedic Laboratories Pvt. Ltd.



Notes to Standalone Financial Statement for the year ended March 31, 2020

b. The following transactions were carried out with related parties in the ordinary course of business: (₹ In lacs)

Transaction type	Type of Relation	2019-20			2018-19		
		Transaction during the period			Transaction during the period		
		Pur./ Amt Recd.	Sales/ Amt Paid	Balance outstanding Dr.(Cr.)	Pur./ Amt Recd.	Sales/ Amt Paid	Balance outstanding Dr.(Cr.)
Compensation to KMP							
Short term employee benefits	a(II)	-	2,063.35	-	-	1,718.02	-
Post-employment benefits*		-	79.79	-	-	68.14	-
Sitting Fee to Independent Non-Executive Directors.		-	9.00	-	-	11.60	-
Total		-	2,152.14	(441.13)	-	1,797.76	(616.20)
Other Transactions							
Sale of Property, Plant & Equipment	a(IV)d	-	2.00	2.36	-	-	-
Reimbursement of Expenses	a(IV)d	-	-	-	-	0.06	-
Services Rendered-Rent	a(IV)	-	2.40	0.57	-	2.58	-
Services Received-Rent	a(III) & a(IV)	165.17	-	(18.73)	139.86	-	-
Security Deposit Given	a(IV)f	-	208.11	-	-	-	-
Loans Given to Subsidiary company#	a(I)a	-	-	11.56	-	-	11.56
Investment in Subsidiary company	a(I)a	-	-	0.09	-	-	0.09
Loans Given/Repayment Received	a(IV)d	4,500.00	4,500.00	2,500.00	200.00	2,700.00	2,500.00
Interest on Loan	a(IV)d	2.71	-	-	3.70	-	-
Travel/Other expenses	a(IV)a	-	9.26	(1.47)	-	12.03	(8.33)
Salary paid	a(III)a	-	8.77	-	-	62.29	(3.48)
Contribution towards CSR	a(IV)e	-	205.00**	-	-	150.00	-
Services Received-C&F Commission	a(IV)a	494.54	-	(668.66)	468.98	-	(582.35)

Note-Figures are shown net of GST input Credit, wherever applicable.

*The above post-employment benefits exclude gratuity which cannot be separately identified from the composite amount advised by the actuary.

** Payment has been made to M/s Kalptaru Real Estate for construction of school building which is in the name of M/s Chiranjee Lal Dhanuka Charitable Trust.

The same is in the nature of advance.

c. Terms and conditions of transactions with related parties

All the transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The company has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended March 31, 2020 and March 31, 2019.

Notes to Standalone Financial Statement for the year ended March 31, 2020

41. THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

The information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company:

(₹ In lacs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1.)	Principal amount and Interest due thereon remaining unpaid to any supplier covered under MSMED Act as on 31 st March		
	Principal	679.75	109.53
	Interest	–	.08
2.)	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	–	–
3.)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	–	–
4.)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	13.59	8.28
5.)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	0.01	0.59

42. FINANCIAL INSTRUMENTS

I. Financial Assets-Fair values

(₹ In lacs)

Particulars	Fair Value Hierarchy	As at March 31, 2020	As at March 31, 2019
1. Financial assets designated at fair value through profit and loss			
a) Investment			
i) In Equity Instruments	Level-1	–	280.96
ii) In Equity Instruments	Level-2	236.39	361.29
iii) In Preference Shares	Level-1	530.08	532.43
iv) In mutual funds	Level-1	10,786.53	5,161.93
v) In Debentures or Bond	Level-1	2,113.71	3,297.95
vi) In Debt Instruments	Level-2	496.90	243.47
2. Financial assets designated at amortized cost			
a) Investment			
i) in Debentures or Bond*		1,723.02	2,148.51
b) Trade receivables		24,240.86	21,867.60
c) Cash & Cash Equivalents		2,522.47	45.49
d) Other bank balances		106.37	87.60
e) Loans		3,534.32	3,641.92
f) Other Financial Assets		3,432.23	7,523.26
3. Investment in subsidiary companies at cost		0.09	0.09

* Net of Provision for Doubtful Debts ₹ 219.00 lacs (March 31, 2019 : ₹ Nil)



Notes to Standalone Financial Statement for the year ended March 31, 2020

II. Financial Liabilities-Fair Value

(₹ In lacs)

Particulars	Fair Value Hierarchy	As at March 31, 2020	As at March 31, 2019
1. Financial liability designated at amortized cost			
a) Borrowings		798.49	2,221.25
b) Trade Payables			
– Total Outstanding dues of Micro Enterprises and Small Enterprises		693.34	117.81
– Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		10,627.76	7,635.36
c) Other Financial Liability		7,594.18	5,858.10

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The carrying amounts of cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, Short term loans, trade payables, short term borrowings and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature. Fair value for security deposits (other than perpetual security deposits) has been presented in the above table. Fair value for all other non-current financial assets and liabilities is equivalent to the amortized cost, interest rate on them is equivalent to the market rate of interest.

III. Fair Value hierarchy

Level 1 - This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

IV. Valuation techniques used to determine fair value

Level 1 – Financial assets categorized in Level 1, are fair valued based on market data as at reporting date.

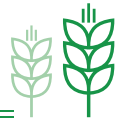
Level 2 - The fair valuation of investments categorized in Level 2 has been determined on the basis of independent valuation done by respective funds.

43. FINANCIAL RISK MANAGEMENT

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The company's board of directors has the overall responsibility for the management of these risks. The company has the risk management policies and systems in place and are reviewed regularly to reflect changes in market conditions and the company's activities. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The company's audit committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of risk management framework in relation to the risks faced by the company.

a.) Credit Risk

Credit Risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company. Credit risk arises from the operating activities primarily from trade receivables and from its financing activities including cash and cash equivalents, deposits with banks, Investments and other financial instruments. The carrying



Notes to Standalone Financial Statement for the year ended March 31, 2020

amount of financial assets represents the maximum credit exposure and is as follows:

Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. The company has established a credit policy under which each customer is analyzed individually for creditworthiness before the company's credit terms are offered. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. Credit limits are established for each customer and reviewed periodically. Any sales order exceeding those limits require approval from the appropriate authority. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience. These loss rates are adjusted by considering the available, reasonable and supportive forward looking information.

The ageing of Trade Receivables and allowances for doubtful debts are given below:

(₹ In lacs)

Ageing	As at March 31, 2020	As at March 31, 2019
Ageing of Gross Carrying Amount		
Not due	17,791.36	17,195.57
0-90	5,375.17	3,199.81
91-180	645.49	1,088.74
181-270	86.16	134.31
271-360	98.49	73.74
Above 360 Days	707.85	508.03
Gross Carrying Amount	24,704.52	22,200.20
Expected credit losses (Loss allowance provision)	463.66	332.60
Net Carrying Amount	24,240.86	21,867.60

Reconciliation of allowance for lifetime expected credit loss on customer balances:

(₹ In lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	332.60	146.33
Changes in loss allowance	131.06	186.27
Closing balance	463.66	332.60

Loans to Corporates and others

ECL for loans to corporates and others is measured considering 12 months ECL.

The company provides ECL based on following provision matrix:

(₹ In lacs)

Credit Risk Category	As at March 31, 2020		As at March 31, 2019	
	Gross	ECL	Gross	ECL
There is no risk of defaults	2,600.00	–	3,050.00	–
There is risk of Defaults	350.00	100.00	–	–
There is no reasonable expectation of recovery	195.71	195.71	195.71	195.71
Closing Balance	3,145.71	295.71	3,245.71	195.71



Notes to Standalone Financial Statement for the year ended March 31, 2020

Following is the movements in provision for ECL on loans to corporates and others:

(₹ In lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	195.71	–
Changes in loss allowance	100.00	195.71
Closing balance	295.71	195.71

Investment in Real Estate Funds

The company provides ECL based on following provision matrix:

(₹ In lacs)

Credit Risk Category	As at March 31, 2020		As at March 31, 2019	
	Gross	ECL	Gross	ECL
There is risk of Defaults	874.86	219.00	–	–
There is no reasonable expectation of recovery	–	–	–	–
Closing Balance	874.86	219.00	–	–

Following is the movements in provision for ECL on Investment in Real Estate Funds:

(₹ In lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	–	–
Changes in loss allowance	219.00	–
Closing balance	219.00	–

Financial assets other than Trade Receivables and Loans to corporate & others and Investment in Real Estate Funds.

Credit risks from financial transactions are managed independently by finance department. For banks and financial institutions, the company has policies and operating guidelines in place to ensure that financial instrument transactions are only entered into with high credit rated banks and financial institutions. The company had no other financial instrument that represent a significant concentration of credit risk. So there is no impairment in these financial assets.

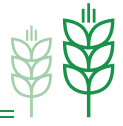
b.) Liquidity Risk

Liquidity risks result from the possible inability of the company to meet current or future payment obligations due to lack of cash or cash equivalents. The liquidity risk is assessed and managed by the finance department as a part of day to day and medium term liquidity planning.

The company holds sufficient liquidity to ensure the fulfillment of all planned payment obligations at maturity. The company's liquidity risk policy is to maintain sufficient liquidity reserve at all times based on cash flow projections to meet payment obligation when it falls due. The primary source of liquidity is cash generated from operations.

Liquid assets are held mainly in the form of bank deposits and mutual fund investments. The company maintain flexibility in funding by maintaining availability under cash credit lines set up with banks.

The table below analyze the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities essential for an understanding of timing of cash flows.



Notes to Standalone Financial Statement for the year ended March 31, 2020

(₹ In lacs)

Particulars	Total	Less than 1 year	1-5 years	More than 5 years
As at March 31, 2020				
Borrowings (Current)	798.49	798.49	-	-
Trade Payables				
- Total Outstanding dues of Micro Enterprises and Small Enterprises	693.34	693.34	-	-
- Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	10,627.76	10,627.76	-	-
Security Received from customers	1,342.43	-	-	1,342.43
Unclaimed Dividend	106.37	106.37	-	-
Capital Creditors	68.52	68.52	-	-
Lease Liability	489.02	231.07	253.60	4.35
Other payable	5,587.84	5,587.84	-	-
As at March 31, 2019				
Borrowings (Current)	2,221.25	2,221.25	-	-
Trade Payables				
- Total Outstanding dues of Micro Enterprises and Small Enterprises	117.81	117.81	-	-
- Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	7,635.36	7,635.36	-	-
Security Received from customers	1,284.49	-	-	1,284.49
Security Received from Vendor and staff	0.84	-	0.84	-
Unclaimed Dividend	87.60	87.60	-	-
Capital Creditors	327.98	82.54	245.44	-
Other payable	4,157.19	4,157.19	-	-

c.) Market Risk

i. Currency Risk

Foreign currency risks for the company is from changes in exchange rates and the related changes in the value of financial instruments in the functional currency (INR). The company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar. The company's exposure to changes in foreign currency other than USD is not material.

To mitigate the currency fluctuation, receivables and payables in foreign currencies which arises from export and import of goods are hedged through forward exchange contracts.

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:



Notes to Standalone Financial Statement for the year ended March 31, 2020

Particulars	As at March 31, 2020		As at March 31, 2019	
	(₹ in lacs)	(FCY in lacs)	(₹ in lacs)	(FCY in lacs)
Amount Receivable				
USD	1,097.30*	14.56	-	-
Amount Payable				
USD	2,698.84	35.80	1,628.98	23.55

*This amount is included in the figure of Advances to Vendor (Note-14 Other Current Assets)

Sensitivities were determined on the basis of a scenario in which the INR appreciated/depreciated by 5% against USD compared with the year-end exchange rates. In this scenario, the estimated hypothetical (loss)/gain of cash flows from financial instruments have been tabulated below:

Particulars (USD Impact on profit before tax and total equity)	(₹ In lacs)	
	As at March 31, 2020	As at March 31, 2019
Increase in exchange rate by 5%	(80.06)	(54.26)
Decrease in exchange rate by 5%	80.06	54.26

Note: This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Company at the end of the reporting period. The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has surplus cash position and does not have any major borrowings as on balance sheet date. So there is no material interest risk relating to the company's financial liabilities.

iii. Price Risk

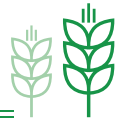
The company is mainly exposed to the price risk due to its investment in mutual funds and classified in the balance sheet as fair value through profit and loss. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

There is no material equity risk relating to the company's equity investments which are detailed in note 7. The company's equity investments majorly comprise of strategic investments rather than trading purposes.

44. CAPITAL MANAGEMENT

The company manages its capital to ensure that the company will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance. Further its objective is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development.

The company manages capital using gearing ratio, which is total debt divided by total equity. The gearing at the end of the reporting period was as follows:



Notes to Standalone Financial Statement for the year ended March 31, 2020

(₹ In lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings (Non-Current)	-	-
Borrowings (Current)	798.49	2221.25
Gross Debt	798.49	2,221.25
Less : Cash & Cash equivalents	2522.47	45.49
Net Debt (a)	(1,723.98)	2,175.76
Total Equity (b)	70,769.76	64,222.02
Debt to Equity Ratio (a/b)	(0.02)	0.03

45. DISCLOSURE AS PER SECTION 186(4) OF THE COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186(4) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- Details of Investments made are given in Note 7.
- Details of loans given by the Company are as follows :

(₹ In lacs)

Name of Entity	Purpose	Amount As at March 31, 2020	Amount As at March 31, 2019
Dhanuka Laboratories Limited	Business	2,500.00	2,500.00
Iworld Business Solutions Pvt. Ltd.	Business	300.00	400.00
Prayag Polytech Pvt. Ltd.	Business	195.71*	195.71*
Tript Singh	Business	100.00	100.00
Sameer Kanwar	Business	50.00	50.00

*Including interest accrued thereon.

- There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

46. DISCLOSURE AS PER REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS

(₹ In lacs)

Particulars	Amount As at March 31, 2020	Amount As at March 31, 2019	Maximum balance outstanding during the year 31.03.2020	Maximum balance outstanding during the year 31.03.2019
Loan to company in which Directors are interested Dhanuka Laboratories Limited	2,500.00	2,500.00	4,500.00	2,500.00



Notes to Standalone Financial Statement for the year ended March 31, 2020

47. STANDARDS ISSUED BUT NOT EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

48. World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. In view of the nationwide lockdown announced by the Government of India on 24th March, 2020 to control the spread of COVID-19, Company's operations were temporarily disrupted at manufacturing facilities and sales depots across the country. This resulted in partial deferment of Company's revenues for the month of March to the first quarter of FY 2020-2021. The Company has resumed operations in a phased manner from the beginning of April as per Government directives. Management believes that being into an essential commodity, there is no significant impact of COVID-19 pandemic on the current and future business operations of the Company, financial statements liquidity position and cash flows and has concluded that no material adjustments are required in the financial statements. The company continues to closely monitor the rapidly changing situation.
49. The company has reclassified certain items of financials of comparative year to confirm this year's classification, however, impact of these reclassifications are not material.

As per our report of even date attached

For and on behalf of the Board of Directors

For **S.S. KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm Registration No: 000756N

Sd/-

YOGESH K GUPTA

Partner

Membership No : 093214

Place : Faridabad (Haryana)

Dated : 10th June, 2020

Sd/-

M.K. DHANUKA

Managing Director

DIN: 00628039

Sd/-

RAHUL DHANUKA

Executive Director

DIN: 00150140

Sd/-

V.K. BANSAL

Chief Financial Officer

M.No.: 86263

Sd/-

JITIN SADANA

Company Secretary

FCS No.: F 7612

Place : Gurugram (Haryana)

Dated : 10th June, 2020



INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
DHANUKA AGRITECH LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **DHANUKA AGRITECH LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of its consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements section of our report. We are independent of the Group 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 consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated Ind AS 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 Consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	Auditor's Response
<p>Estimation of provision for sales returns, discounts, rebates, schemes and incentives on sales impacting revenue from sale of products</p> <p>Revenue from sale of products is presented net of returns, discounts, rebates, schemes and incentives in the consolidated Ind AS financial statements.</p> <p>The Holding Company's management determines provision for sales return, discounts, rebates, schemes and incentives on the basis of various factors such as the current and expected operating environment, sales return variability and expected achievement of targets against various ongoing schemes floated.</p> <p>We determined the estimates associated with sales returns, discounts, rebates, schemes and incentives on sale of products as a key audit matter in view of it having significant impact on the recognised revenue and the involvement of management judgement in estimating the amounts at which these are expected to be settled.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Understanding the policies and procedures applied to estimate the sales returns, discounts, rebates, schemes and incentives including evaluation and testing of the design and operating effectiveness of controls related to these estimates. • Obtained management's calculations for the respective estimates and assessed the reasonableness of assumptions used by the management in determining the amount of provisions based on understanding of the market conditions. • Assessed the reasonableness of estimates made by the management in the past by comparing the provisions recognised in the earlier financial year with their subsequent settlement, ratio analysis of sales returns, discounts, rebates, schemes and incentives as a percentage of sale of last few years. • Verified, if any credit notes were issued and/or adjustments made after the balance sheet date and their impact if any on the reported amounts.

Emphasis of Matter

We draw attention to Note no. 49 of the consolidated financial results which states the management's evaluation of COVID-19



impact on the operations of the company. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Ind AS financial statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Annual report 2019-20, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and the consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act. The respective 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 the Group 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 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 consolidated Ind AS 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

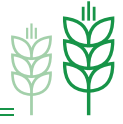
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the Consolidated Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit



evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Consolidated Ind AS 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 Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 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 statements of the subsidiary, whose financial statements reflect total assets of Rs.0.08 lacs at 31st March, 2020, total revenue of Rs. Nil, total comprehensive loss (comprising of profit and other comprehensive loss) of Rs.11.65 lacs and net cash outflows amounting to Rs.2.20 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the unaudited financial statements certified by the management. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, 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 Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law has been maintained by the Holding Company, including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements, so far as it appears from our examination of those books and records of the Holding Company, and certificate received from the management as referred in sub-paragraph (a) of the 'Other Matters' paragraph;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity 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 Ind AS financial statements comply with the Accounting Standards 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 March 31, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in Annexure "A"; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on consideration of the unaudited financial statements as certified by the management referred to in sub-paragraph (a) of the Other Matters paragraph:
- The consolidated Ind AS financial statements disclose impact of pending litigations as at March 31, 2020 on the financial position of the Group– Refer Note 37 to the Consolidated Ind AS financial statements;
 - The Group did not have any material foreseeable losses on its long-term contracts, the Group did not have any long-term derivative contracts; and
 - There were no amount which were required to be required to be transferred, to the Investor Education and Protection Fund by the Holding Company;

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Reg. No.000756N

Sd/-

Yogesh K. Gupta
Partner
Membership No.093214
UDIN : 20093214AAAAAT4447

Place: Faridabad
Date: June 10, 2020

"Annexure A" to the Independent Auditor's Report of even date on the Ind AS financial statements of DHANUKA AGRITECH LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph (g) of 'Report on Other Legal and Regulatory Requirements'

We have audited the internal financial controls with reference to Ind AS financial statements of DHANUKA AGRITECH LIMITED ("the Holding Company") as of March 31st, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

The audit of the internal financial controls over financial reporting is applicable only to the Holding Company.

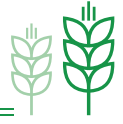
Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Ind AS 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. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Ind AS financial statements was 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 system with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Ind AS financial statements

A company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS 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 Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to Ind AS financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Ind AS financial statements issued by the Institute of Chartered Accountants of India.

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration No. 000756N

Sd/-
Yogesh K. Gupta
Partner
Membership No.093214

UDIN: 20093214AAAAAT4447
Place: Faridabad
Date: June 10, 2020



Consolidated Balance Sheet as at March 31, 2020

(₹ In lacs)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I	Assets			
1	Non-current assets			
a	Property, Plant and Equipment	4	11,510.89	11,434.37
b	Capital work in progress	5	366.94	98.91
c	Other Intangible assets	6	234.22	254.63
d	Financial Assets			
	i) Investments	7	9,914.81	8,977.50
	ii) Loans	8	378.09	341.94
	iii) Other financial assets	9	2,217.54	984.44
e	Other non-current assets	14	1,960.40	2006.11
	Total Non-Current assets		26,582.80	24,097.90
2	Current assets			
a	Inventories	10	24,985.70	20,683.01
b	Financial Assets			
	i) Investments	7	5,971.91	3,049.04
	ii) Trade receivables	11	24,240.86	21,867.60
	iii) Cash and cash equivalents	12	2,522.55	47.77
	iv) Bank balances other than (iii) above	12	106.37	87.60
	v) Loans	8	3,144.67	3,288.42
	vi) Other financial assets	9	1,214.69	6,538.82
c	Current Tax Assets (Net)	13	457.15	1,426.94
d	Other current assets	14	3,992.95	2,445.31
	Total Current assets		66,636.85	59,434.51
	Total Assets		93,219.65	83,532.41
II	EQUITY AND LIABILITIES			
1	Equity			
a	Equity Share Capital	15	951.57	951.57
b	Other Equity	16	69,806.54	63,270.45
	Total equity		70,758.11	64,222.02
	LIABILITIES			
2	Non-current liabilities			
a	Financial Liabilities			
	i) Other financial liabilities	19	1,600.38	1,530.77
b	Provisions	20	568.85	242.97
c	Deferred tax liabilities (Net)	21	533.91	1,220.67
	Total Non-current Liabilities		2,703.14	2,994.41
3	Current Liabilities			
a	Financial Liabilities			
	i) Borrowings	17	798.49	2,221.25
	ii) Trade payables	18		
	-Total Outstanding dues of Micro Enterprises and Small Enterprises		693.34	117.81
	-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		10,627.76	7,635.36
	iii) Other financial liabilities	19	5,993.88	4,327.38
b	Other current liabilities	22	1,619.35	1,986.63
c	Provisions	20	25.58	27.55
	Total Current Liabilities		19,758.40	16,315.98
	Total Equity and Liabilities		93,219.65	83,532.41

Accompanying notes form an integral part of the financial statements

1 to 50

As per our report of even date attached

For and on behalf of the Board of Directors

For **S.S. KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm Registration No: 000756N

Sd/-

YOGESH K GUPTA

Partner

Membership No : 093214

Sd/-

M.K. DHANUKA

Managing Director

DIN: 00628039

Sd/-

RAHUL DHANUKA

Executive Director

DIN: 00150140

Sd/-

V.K. BANSAL

Chief Financial Officer

M.No.: 86263

Sd/-

JITIN SADANA

Company Secretary

FCS No.: F 7612

Place : Faridabad (Haryana)

Dated : 10th June, 2020

Place : Gurugram (Haryana)

Dated : 10th June, 2020



Consolidated Statement of Profit & Loss for the year ended March 31, 2020

(₹ In lacs)

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue from Operations	23	1,12,007.08	1,00,583.80
II	Other Income	24	2,508.84	2,120.45
III	Total Revenue (I+II)		1,14,515.92	1,02,704.25
IV	EXPENSES			
	Cost of materials consumed	25	58,244.88	54,630.15
	Purchase of Stock In Trade	26	14,060.05	9,250.76
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	27	(1,135.83)	(2,214.19)
	Employee Benefit Expenses	28	10,522.81	10,465.79
	Finance Costs	29	155.69	89.29
	Depreciation and Amortization Expense	30	1,635.89	1,234.85
	Other Expenses	31	12,979.88	13,852.08
	Total Expenses		96,463.37	87,308.73
V	Profit Before Exceptional Items and Tax (III-IV)		18,052.55	15,395.52
VI	Exceptional items	32	-	-
VII	Profit before Tax (V-VI)		18,052.55	15,395.52
VIII	Tax Expenses	33		
	Current Tax		4,604.46	5,283.03
	Tax of earlier year provided / (written back)		-	(1,032.27)
	Deferred Tax		(686.76)	(112.82)
IX	Profit for the year		14,134.85	11,257.58
X	Other Comprehensive Income	34		
A	(i) Items that will not be reclassified to profit or loss		(371.62)	(50.62)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	Total Comprehensive Income (IX+X)		13,763.23	11,206.96
XII	Earnings per Equity Share			
	1) Basic (in ₹)	35	29.71	23.02
	2) Diluted (in ₹)	35	29.71	23.02

Accompanying notes form an integral part of the financial statements

1 to 49

As per our report of even date attached

For and on behalf of the Board of Directors

For **S.S. KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm Registration No: 000756N

Sd/-
YOGESH K GUPTA

Partner

Membership No : 093214

Sd/-
M.K. DHANUKA
Managing Director
DIN: 00628039

Sd/-
RAHUL DHANUKA
Executive Director
DIN: 00150140

Sd/-
V.K. BANSAL
Chief Financial Officer
M.No.: 86263

Sd/-
JITIN SADANA
Company Secretary
FCS No.: F 7612

Place : Faridabad (Haryana)

Dated : 10th June, 2020

Place : Gurugram (Haryana)

Dated : 10th June, 2020



Consolidated Statement of Changes in Equity for the year ended March 31, 2020

(₹ In lacs)

a. EQUITY SHARE CAPITAL	As at March 31, 2020		As at March 31, 2019	
	No of shares	Amount	No of shares	Amount
Particulars				
Balance at the beginning of the reporting period	4,75,78,324.00	951.57	4,90,78,324.00	981.57
Changes in equity share capital during the year (Refer Note-15)	-	-	(15,00,000.00)	(30.00)
Balance at the end of the reporting period	4,75,78,324.00	951.57	4,75,78,324.00	951.57

b. OTHER EQUITY	Reserves & Surplus				Total
	Capital Reserve	General Reserve	Capital Redemption Reserve	Retained earnings	
Particulars					
Balance as at April 1, 2018	95.47	2,455.03	18.82	59,784.99	62,354.32
Total comprehensive income for the year ended 31 March, 2019					
-Profit for the year	-	-	-	11,257.58	11,257.58
-Other comprehensive income for the year	-	-	-	(50.62)	(50.62)
Total comprehensive income	-	-	-	11,206.96	11,206.96
-Dividend paid during the year	-	-	-	(1,717.74)	(1,717.74)
-Dividend Distribution Tax (DDT)	-	-	-	(353.08)	(353.08)
-Buy back of Shares (Refer Note-15)	-	(2,455.03)	30.00	(5,794.97)	(8,220.00)
Balance as at March 31, 2019	95.47	-	48.82	63,126.16	63,270.45

Balance as at April 1, 2019	95.47	-	48.82	63,126.16	63,270.45
Total comprehensive income for the year ended 31 March, 2020					
-Profit for the year	-	-	-	14,134.85	14,134.85
-Other comprehensive income for the year	-	-	-	(371.62)	(371.62)
Total comprehensive income	-	-	-	13,763.23	13,763.23
-Dividend paid during the year	-	-	-	(5,994.87)	(5,994.87)
-Dividend Distribution Tax (DDT)	-	-	-	(1,232.27)	(1,232.27)
Balance as at March 31, 2020	95.47	-	48.82	69,662.25	69,806.54

As per our report of even date attached

For and on behalf of the Board of Directors

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration No: 000756N

Sd/-
YOGESH K GUPTA
Partner
Membership No : 093214

Sd/-
M.K. DHANUKA
Managing Director
DIN: 00628039

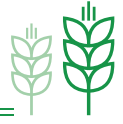
Sd/-
RAHUL DHANUKA
Executive Director
DIN: 00150140

Sd/-
V.K. BANSAL
Chief Financial Officer
M.No.: 86263

Sd/-
JITIN SADANA
Company Secretary
FCS No.: F 7612

Place : Faridabad (Haryana)
Dated : 10th June, 2020

Place : Gurugram (Haryana)
Dated : 10th June, 2020



Consolidated Statement of Cash Flow for the year ended 31 March, 2020

(₹ In lacs)

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit / (Loss) Before Tax	18,052.55	15,395.52
	Adjustments for:		
	Depreciation, amortization and impairment expenses	1,635.89	1,234.85
	Net (Gain)/Loss on Sale of Property, Plant and Equipment	(8.91)	(13.11)
	Property, Plant and Equipment Written off	-	15.05
	Finance Costs	155.69	89.29
	Interest Income	(1,124.69)	(714.40)
	Dividend Income from Investments	(291.10)	(159.94)
	Net (Gain)/Loss on Sale of Investments	(83.58)	(280.11)
	Net (Gain)/Loss on Investments measured at fair value through profit or loss	(380.77)	(352.79)
	Allowance for Bad and Doubtful debts & Advances	450.06	381.98
	Liabilities No Longer Required, Written Back	(249.53)	(17.56)
	Forex Fluctuation on Translation of Assets & Liabilities	109.36	(55.13)
	Operating Profit/(loss) before Working Capital changes	18,264.97	15,523.65
	(Increase) / Decrease in Trade Receivables	(2,504.32)	(1,257.12)
	(Increase) / Decrease in Current financial assets - Loans	(56.25)	(157.79)
	(Increase) / Decrease in Non Current financial assets - Loans	(160.78)	38.64
	(Increase) / Decrease in Other Current financial assets	5,329.22	(1,193.33)
	(Increase) / Decrease in Other Non Current financial assets	32.88	-
	(Increase) / Decrease in Other Current assets	(1,563.10)	(420.05)
	(Increase) / Decrease in Other Non Current assets	21.81	(18.12)
	(Increase)/Decrease in Inventories	(4,302.69)	(4,559.74)
	Increase / (Decrease) in Trade Payables	3,702.51	(486.31)
	Increase / (Decrease) in Other Current Financial Liabilities	1,431.39	273.60
	Increase / (Decrease) in Other Non Current Financial Liabilities	57.10	(818.86)
	Increase / (Decrease) in Other Current Provisions	(1.97)	2.77
	Increase / (Decrease) in Other Non Current Provisions	(45.75)	14.04
	Increase / (Decrease) in Other Current Liabilities	(362.39)	(183.45)
	Increase / (Decrease) in Other Non Current Liabilities	-	(7.93)
	Cash generated (used) in /from Operations before tax	19,842.63	6,750.00
	Net Direct Taxes paid (Net of Refunds)	(3,634.67)	(5,420.28)
	Net cash flow (used) in/ from Operating Activities	16,207.96	1,329.72
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Acquisition of Property, Plant and Equipment (Including Adjustment on account of Intangible Assets, Capital work in Progress, Capital Creditors and Capital Advances)	(1,371.95)	(607.52)
	Proceeds from sale of Property, Plant and Equipment	333.48	134.55
	Loan Given to Corporate and Other	(4,500.00)	(2,700.00)
	Repayment of Loan Given to Corporate and Other	4,600.00	2,675.00
	Investment in Bank Deposits	(1,265.98)	(850.24)
	Purchase and sale of Investments (Net)	(3,614.74)	6,805.58
	Interest Received	1,096.12	700.51
	Dividend Income from Investments	291.10	159.94
	Net cash flow (used) in/ from Investing Activities	(4,431.97)	6,317.82
	Net cash (used) in/ from Operating and Investing Activities	11,775.99	7,647.54



Consolidated Statement of Cash Flow for the year ended 31 March, 2020

(₹ In lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowings (Net)	(1,422.76)	1,749.59
Payment of Principal portion of Lease Liabilities	(495.62)	-
Payment of Dividend	(5,994.87)	(1,717.74)
Taxes on Dividend	(1,232.27)	(353.08)
Buy Back of Shares	-	(8,250.00)
Interest Paid	(155.69)	(89.29)
Net cash (used) in/ from Financing Activities	(9,301.21)	(8,660.52)
Net cash (used) in/ from Operating, Investing & Financing Activities	2,474.78	(1,012.98)
Opening balance of Cash and Cash equivalent	47.77	1,060.75
Closing balance of Cash & Cash equivalent	2,522.55	47.77
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following (refer note no.12):-		
i) Cash Balance on Hand	102.17	40.25
ii) Balance with Banks :		
-In Current Accounts	216.30	7.52
-In Fixed Deposits	2,201.54	-
-Cheques in hand	2.54	-
Total	2,522.55	47.77

Change in liability arising from financing activities

Particulars	Current Borrowings	Interest Paid	Lease Liabilities	Buy Back of Equity Shares	Dividend Paid Including DDT
Balance as at April 1, 2018	471.65	-	-	-	-
Cash Flows	1,749.59	(89.29)	-	(8,250.00)	(2,070.82)
Buy Back of Equity Shares Accruals	-	-	-	8,250.00	-
Dividend Distribution Tax (Including DDT) Accruals	-	-	-	-	2,070.82
Finance Cost Accruals	-	89.29	-	-	-
Balance as at March 31, 2019	2,221.25	-	-	-	-
Cash Flows	(1,422.76)	(91.31)	(560.00)	-	(7,227.14)
Lease Liabilities Accruals	-	-	984.64	-	-
Dividend Distribution Tax (Including DDT) Accruals	-	-	-	-	7,227.14
Finance Cost Accruals	-	91.31	64.38	-	-
Balance as at March 31, 2020	798.49	-	489.02	-	-

As per our report of even date attached

For and on behalf of the Board of Directors

For **S.S. KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm Registration No: 000756N

Sd/-

YOGESH K GUPTA

Partner

Membership No : 093214

Sd/-

M.K. DHANUKA

Managing Director

DIN: 00628039

Sd/-

RAHUL DHANUKA

Executive Director

DIN: 00150140

Sd/-

V.K. BANSAL

Chief Financial Officer

M.No.: 86263

Sd/-

JITIN SADANA

Company Secretary

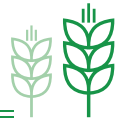
FCS No.: F 7612

Place : Faridabad (Haryana)

Dated : 10th June, 2020

Place : Gurugram (Haryana)

Dated : 10th June, 2020



Notes to Consolidated Financial Statement for the year ended March 31, 2020

1. CORPORATE INFORMATION

Dhanuka Agritech Limited (“DAL” or “the Company”) is a public limited company incorporated under The Companies Act, 1956, domiciled in India and has its registered office at New Delhi. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

The consolidated financial statements comprise the company and its Wholly owned subsidiary (referred to collectively as “The group”). DAL manufactures a wide range of agro-chemicals like herbicides, insecticides, fungicides, plant growth regulators in various forms – liquid, dust, powder and granules. The Group has a Pan-India presence through its Branch offices/Depots in all major states in India.

The Registered office of the company situated at 82, Abhinash Mansion, 1st Floor, Joshi Road, Karol Bagh, New Delhi-110005 and the corporate office is situated at 14th Floor, Building 5A, Cyber City, DLF Phase-III, Gurugram-122002.

2. BASIS OF PREPARATION

a. Basis of consolidation

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the parent and its subsidiary are prepared by line by line adding together like items of assets, liabilities, equity, income and expenses. Inter -Company balances and transactions, and any unrealized gains arising from inter-company transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

b. Statement of compliance

The financial statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') as amended through rules and other relevant provisions of the Act to the extent applicable.

These financial statements were authorized for issue by the Board of Directors on June 10, 2020.

c. Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

- Certain financial assets and liabilities that is measured at fair value;
- Defined benefit plans - plan assets measured at fair value.

d. Functional and presentation currency

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the group operates (“the functional currency”). The financial statements are presented in Indian National Rupee ('INR'), which is the group's functional and presentation currency. All amounts have been rounded to the nearest lacs, unless otherwise indicated.

e. New and amended standards adopted by the group

I. Ind AS 116, Leases

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the group is the lessor.

Effective April 1, 2019, the group adopted Ind AS-116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the Modified Retrospective Method. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as an amount to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to particular lease recognised in the Balance Sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Financial Statements for year ended March 31, 2019.

Refer Note 38 for detailed impact on adoption of Ind AS 116 “Leases” on the financial statements of the group.

The following is the summary of practical expedients elected on initial application:



Notes to Consolidated Financial Statement for the year ended March 31, 2020

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS-116 is applied only to contracts that were previously identified as leases under Ind AS-17.

II. Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes

On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. As per the Group's assessment, this amendment had no impact on the consolidated financial statements of the Group.

III. Amendment to Ind AS 12, Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. As per the Group's assessment, this amendment had no impact on the consolidated financial statements of the Group.

IV. Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. As per the Group's assessment, this amendment had no impact on the consolidated financial statements of the Group.

f. Current or Non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

g. Critical accounting judgements and key source of estimation uncertainty

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Although the Group regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known.

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognized in the financial statements are:

- Measurement of defined benefit obligations;
- Recognition of deferred tax assets & minimum alternative tax credit entitlement;
- Useful life and residual value of Property, plant and equipment and intangible assets;
- Impairment test of financial and non-financial assets;
- Measurement of fair value of financial instrument; and
- Recognition and measurement of provisions and contingencies.
- Recognition and measurement of provision for discounts and rebates.

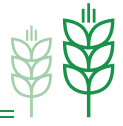
3. SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in the financial statements.

a. Property, plant and equipment

I. Recognition and measurement

On transition to Ind AS, the Group had elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as



Notes to Consolidated Financial Statement for the year ended March 31, 2020

the deemed cost of the property, plant and equipment.

Freehold land is carried at cost. All other items of Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in cost to the extent they relate to the period till such assets are ready for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the Statement of Profit & Loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under construction as at the balance sheet date.

An item of property, plant and equipment is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

II. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, recognized in the statement of profit and loss. Depreciation on property, plant and equipment is provided on Written Down Value Method (WDV) at the rate and in the manner based on the useful life of the

assets as estimated by the management which coincide with the useful life specified under Schedule II of the Companies Act, 2013, which are as follows:

- | | |
|--|--------------|
| • Building including factory building- | 30-60 years. |
| • General plant and machinery- | 15 years |
| • Plant and Machinery-Vessel/
Storage tank- | 20 years |
| • Furniture and Fittings- | 10 years |
| • Motor Vehicles- | 8-10 years |
| • Office Equipment- | 5 years |
| • Computers and data
processing units- | 3-6 years |
| • Wind Mill- | 22 years |
| • *Solar Plant- | 25 years |

*The useful life considered above is on the basis of the agreement with third party regarding sale of electricity generated from this plant.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

Assets having cost upto ₹5000/- have been fully depreciated in the year of acquisition by leaving Re.1 as a nominal value for its identity in fixed assets register.

b. Intangible assets

On transition to Ind AS, group has elected to continue with the carrying value of all of its intangible assets recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Intangible assets are measured at cost less any accumulated amortization and impairment losses, if any.

Cost of an item of intangible asset comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent costs are included in the asset's carrying amount or recognized 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.



Notes to Consolidated Financial Statement for the year ended March 31, 2020

Amortization is recognized on a straight line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful lives are as follows:

Computer Software 10 years

An intangible asset is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

c. Impairment of non-financial assets

At each reporting date, the group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) 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 flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').

The recoverable amount of an asset or CGU is the greater 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and 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. After impairment, depreciation or amortization is provided on the revised carrying amount of the assets over its remaining useful life.

d. Financial instruments

I. Initial recognition

The group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recognized at fair value plus transaction costs directly attributable to its acquisition. The transaction costs incurred for the purchase of financial assets held at fair value through profit and loss are expensed in the statement of profit and loss immediately.

II. Subsequent measurement

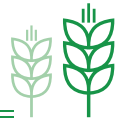
1) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognized or impaired, the gain or loss is recognized in the statement of profit and loss.

2) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss.

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognized in OCI are not reclassified to the statement of profit and loss.



Notes to Consolidated Financial Statement for the year ended March 31, 2020

3) Financial assets at fair value through profit and loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

4) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts is approximate to the fair value due to the short maturity of these instruments.

5) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the separate financial statements.

III. Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. Except trade receivables, expected credit losses are measured at an amount equal to the twelve month expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

In case of trade receivables, the group follows the simplified approach which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables. The group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

IV. Derecognition

1) Financial Assets

Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

2) Financial Liabilities

The group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

V. Reclassification of Financial Assets and Financial liabilities

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the group reclassifies financial assets, it applies prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

VI. Derivative financial instruments

The group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognized immediately in the statement of profit and loss.

VII. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

e. Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/ or disclosure purposes are



Notes to Consolidated Financial Statement for the year ended March 31, 2020

categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within 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 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

f. Inventories

Inventories (including Stock-in-transit) of Finished Goods, Stock in Trade, Work in progress, Raw materials, packing materials and Stores & Spares are stated at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of Raw Materials, Packing Materials, Stores and Spares, Stock in Trade and other products are determined on First in first out (FIFO) basis and are net of GST.

Cost of Work in progress and Finished Goods is determined on First in first out (FIFO) basis considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and wherever necessary, the same are written off or provision is made for such inventories. Finished goods and work in progress are written down if anticipated net

realizable value declines below the carrying amount of the inventories and such write down to inventories are recognized in statement of profit & loss. When reason for such write down ceases to exist, then write down is reversed through statement of profit and loss account.

g. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

h. Revenue Recognition

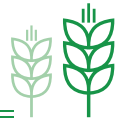
i. Sale of goods

Revenue is generated primarily from sale of agrochemicals.

Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration which the group expects to receive in exchange for those goods.

Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer which is usually on delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and



Notes to Consolidated Financial Statement for the year ended March 31, 2020

returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Contract balances

Trade receivables

A receivable represents the group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3(d) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the group performs under the contract.

II. Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

III. Dividends

Dividend income is recognized when the group's right to receive dividend is established, and is included in other income in the statement of profit and loss.

IV. Revenue from electricity generation

Revenue from electricity generation is recognized on the basis of electricity units generated and invoice raised on monthly basis.

i. Employee Benefits

I. Short Term Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the group has a present legal or constructive obligation to pay this

amount as a result of past service provided by the employee and the obligation can be estimated reliably.

II. Defined contribution plans

Employees benefits in the form of the group's contribution to Provident Fund, Pension scheme, Superannuation Fund, National Pension scheme and Employees State Insurance are defined contribution schemes. The group recognizes contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognized as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the group recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to reduction in future payments or a cash refund.

III. Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The group's net obligation in respect of defined benefit plans is calculated 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 group provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The group contributes to the gratuity fund, which are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net



Notes to Consolidated Financial Statement for the year ended March 31, 2020

interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit & loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit & loss. The group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

IV. Other long term employee benefits

Other long term Employee benefits includes earned leaves and sick leaves. The group's net obligation in respect of long-term employee 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. Remeasurement are recognized in statement of profit & loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

j. Foreign currency transactions

The financial statements are presented in Indian rupee, which is the group's functional and presentation currency, unless stated otherwise. A group's functional currency is that of the primary economic environment in which the group operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the statement of profit and loss.

k. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred 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 part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

I. Income Tax

Income tax expense comprises current and deferred tax. It is recognized in statement of profit & loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income

I. Current Tax

Current tax comprises the expected tax payable on the taxable income for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the group:

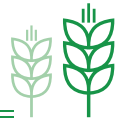
- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

II. Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax assets/liabilities are generally recognized for all taxable temporary differences, the carry forward balance of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward balance of unused tax credits and unused tax losses can be utilized.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates



Notes to Consolidated Financial Statement for the year ended March 31, 2020

and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

m. Segment Reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the group's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

The Chairman, Managing Director, Executive directors and CFO have been identified as CODM by the group. Refer Note 39 for segment information.

n. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits 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.

o. Statement of cash flows

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Ind AS on Statement of Cash Flows (Ind AS - 7). The cash flows from operating, financing and investing activity of the group are segregated.

p. Lease

The group's lease asset classes primarily consist of leases for Building and Vehicles. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (i) the contract involves the use of an identified asset (ii) the group has substantially

all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset.

Group as a lessee

At the date of commencement of the lease, the group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.



Notes to Consolidated Financial Statement for the year ended March 31, 2020

Group as a lessor

I. Operating Lease

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

II. Finance Lease

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the group's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

q. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r. Dividend to Equity Shareholders

Dividend to equity shareholders is recognized as a liability and deducted from shareholders' Equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

s. Research and Development Expenses

Research and Development Expenses of revenue nature are charged to the Statement of Profit and Loss.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

4. PROPERTY, PLANT AND EQUIPMENT

(₹ In lacs)

Particulars	Land-Freehold	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Power Gen. Plant	Right-of-use Asset	Total
Gross Carrying Amount									
As at April 01, 2018	3,017.03	7,280.16	3,607.22	170.58	164.98	430.86	950.74	-	15,621.57
Additions	89.49	15.18	112.18	4.14	196.73	56.37	-	-	474.09
Disposals/Adjustments	(96.01)	(5.33)	(806.14)	(2.81)	(8.86)	(11.84)	-	-	(930.99)
Balance as at March 31, 2019	3,010.51	7,290.01	2,913.26	171.91	352.85	475.39	950.74	-	15,164.67
Balance as at April 1, 2019	3,010.51	7,290.01	2,913.26	171.91	352.85	475.39	950.74	-	15,164.67
Additions	369.21	-	288.92	2.52	59.62	118.08	-	1,155.20	1,993.55
Disposals/Adjustments	-	(410.58)	(14.76)	(0.13)	(32.95)	(9.70)	-	-	(468.12)
Balance as at March 31, 2020	3,379.72	6,879.43	3,187.42	174.30	379.52	583.77	950.74	1,155.20	16,690.10
Accumulated Depreciation									
As at April 01, 2018	-	1,197.75	1,066.06	70.46	71.25	243.26	176.98	-	2,825.76
Depreciation for the year	-	527.41	410.01	27.42	46.84	90.30	89.50	-	1,191.48
Disposals/Adjustments	-	(0.59)	(272.48)	(1.26)	(6.68)	(5.93)	-	-	(286.94)
Balance as at March 31, 2019	-	1,724.57	1,203.59	96.62	111.41	327.63	266.48	-	3,730.30
Depreciation for the year	-	451.12	327.73	20.82	78.56	91.55	79.13	543.56	1,592.47
Disposals/Adjustments	-	(106.14)	(8.35)	(0.07)	(23.55)	(5.45)	-	-	(143.56)
Balance as at March 31, 2020	-	2,069.55	1,522.97	117.37	166.42	413.73	345.61	543.56	5,179.21
Net carrying amount									
Balance as at March 31, 2019	3,010.51	5,565.44	1,709.67	75.29	241.44	147.76	684.26	-	11,434.37
Balance as at March 31, 2020	3,379.72	4,809.88	1,664.45	56.93	213.10	170.04	605.13	611.64	11,510.89

Notes:

- Refer note 17(a) for information on movable assets which are pledged as security by the company to banks
- Right-of-use Asset includes (Refer Note-38) :-

Right-of-use Asset			
Particulars	Buildings	Vehicles	Total
Gross Carrying Amount			
Balance as at April 1, 2019	-	-	-
Additions on account of adoption of Ind AS 116 "Leases"	935.05	220.16	1,155.20
Disposals/Adjustments	-	-	-
Balance as at March 31, 2020	935.05	220.16	1,155.20
Accumulated Depreciation			
Balance as at March 31, 2019	-	-	-
Depreciation for the year on account of adoption of Ind AS 116 "Leases"	460.55	83.01	543.56
Disposals/Adjustments	-	-	-
Balance as at March 31, 2020	460.55	83.01	543.56
Net carrying amount	474.50	137.14	611.64

- Refer note-40 for transactions with Related Party



Notes to Consolidated Financial Statement for the year ended March 31, 2020

5. CAPITAL WORK IN PROGRESS

(₹ In lacs)

Particulars	Amount
As at April 01, 2018	7.68
Additions	119.58
Less: Amount capitalized in Property, Plant and Equipment	(28.35)
Balance as at March 31, 2019	98.91
As at April 01, 2019	98.91
Additions	461.33
Less: Amount capitalized in Property, Plant and Equipment	(193.30)
Balance as at March 31, 2020	366.94

6. OTHER INTANGIBLE ASSETS

(₹ In lacs)

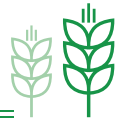
Particulars	Amount (Computer Software)
Gross Carrying Amount	
As at April 01, 2018	372.57
Additions	0.37
Balance as at March 31, 2019	372.94
Additions	23.01
Balance as at March 31, 2020	395.95
Accumulated Amortization	
As at April 1, 2018	74.94
Charge for the year	43.37
Balance as at March 31, 2019	118.31
Charge for the year	43.42
Balance as at March 31, 2020	161.73
Net Carrying Amount	
Balance as at March 31, 2019	254.63
Balance as at March 31, 2020	234.22



Notes to Consolidated Financial Statement for the year ended March 31, 2020

(₹ In lacs)

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount
Units of Aditya Birla Sun life Fixed Term Plan Series PB-1190 Days	30,00,000.00	356.49	30,00,000.00	327.08
Units of Aditya Birla Sun life Fixed Term Plan Series PC-1169 Days	30,00,000.00	356.61	30,00,000.00	326.99
Units of DSP FMP Series 219-40M	30,00,000.00	355.88	30,00,000.00	327.30
Units of DSP FMP Series 220-40M	30,00,000.00	355.88	30,00,000.00	326.32
Units of Aditya Birla Sun life Fixed Term Plan Series QX-1103 Days	30,00,000.00	345.30	30,00,000.00	318.05
Units of Aditya Birla Sun life Fixed Term Plan Series RA-1100 Days	20,00,000.00	231.14	20,00,000.00	212.13
Units of DSP FMP Series 243-36M	15,00,000.00	171.03	15,00,000.00	157.32
Units of Reliance Fixed Horizon Fund-XXXIX-Series 2	20,00,000.00	236.32	20,00,000.00	214.83
Units of UTI Fixed Term Income Fund Series XXX-I-1104 Days	15,00,000.00	155.54	15,00,000.00	156.45
Units of Bharat Bond ETF	1,00,000.00	1,040.34	-	-
Total Non Current Investment		10,133.72		8,977.50
Less: Allowance for doubtful debts		(219.00)		-
Total Non Current Investment		9,914.72		8,977.50
Aggregate amount of quoted investments and Market Value thereof		8,830.96		7,627.35
Aggregate amount of quoted investments and Book Value thereof		8,830.96		7,627.35
Aggregate amount of unquoted investments		1,302.76		1,350.15
Aggregate amount of impairment in value of investments		219.00		-
CURRENT				
Investment in Equity Instruments				
a. Unquoted- At Fair Value through Profit & Loss				
Units of DSP India Enhanced Equity SatCore Fund	2,00,000.00	219.00	2,00,000.00	208.58
Investment in debentures or bonds				
a. Quoted- At Fair Value through Profit & Loss				
NCD-Face Value of ₹ 100000/- each in IIFL Wealth Finance Ltd.	-	-	483.00	552.02
NCD - Face Value of ₹ 100000/- each in ECAP Equities Ltd.	-	-	978.00	1,135.15
Investment in Mutual Funds				
a. Quoted- At Fair Value through Profit & Loss				
Units of Reliance Fixed Horizon Fund-XXX-Series 13	-	-	25,00,000.00	317.34
Units of Reliance Fixed Horizon Fund-XXX-Series 17	-	-	15,00,000.00	189.55
Units of UTI Fixed Term Income Fund Series-1182 Days	-	-	30,00,000.00	381.89
Units of HDFC FMP 1161 Days Series 35	-	-	20,00,000.00	264.51
Units of UTI Fixed Term Income Fund Series-1113 Days	30,00,000.00	336.61	-	-
Units of UTI Liquid Cash Plan-Direct Growth Plan	1,14,279.58	3,715.73	-	-
Units of UTI Overnight Fund-Direct Growth Plan	14,632.14	400.06	-	-
Units of Axis Liquid Fund-Direct Growth Plan	58,997.76	1,300.51	-	-
Total Current Investment		5,971.91		3,049.04
Aggregate amount of quoted investments and Market Value thereof		5,752.91		2,840.46
Aggregate amount of quoted investments and Book Value thereof		5,752.91		2,840.46
Aggregate amount of unquoted investments		219.00		208.58
Aggregate amount of impairment in value of investments		-		-

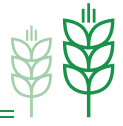


Notes to Consolidated Financial Statement for the year ended March 31, 2020

7. INVESTMENTS

(₹ In lacs)

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount
NON CURRENT				
Investment in Equity Instruments				
a. Quoted- At Fair Value through Profit & Loss				
Equity PMS-Shares of Listed Companies	-	-	PMS	280.96
PMS Advisor-Accuracap Consultancy Services Private Limited				
b. Unquoted- At Fair Value through Profit & Loss				
Units of India Build Out Fund-Venture Captial Fund	1,177.16	17.39	1,177.16	17.39
Units of Edelweiss Alternative Equity Scheme	-	-	6,44,379.62	135.32
Investment in Preference Shares				
a. Quoted- At Fair Value through Profit & Loss				
Preference shares of Tata Motors Finance Ltd.	2,50,000.00	530.08	2,50,000.00	532.43
Investment in debentures or bonds				
a. Quoted- At Fair Value through Profit & Loss				
NCD - Face Value of ₹ 1000000/- each in India Grid Trust	50.00	508.85	-	-
NCD - Face Value of ₹ 100000/- each in Edelweiss Finvest Pvt. Limited	294.00	300.39	294.00	288.23
NCD - Face Value of ₹ 100000/- each in IIFL Wealth Finance Limited	300.00	304.47	300.00	327.00
NCD - Face Value of ₹ 100000/- each in Edelweiss Finvest Pvt. Limited	1,000.00	1,000.00	1,000.00	995.55
b. Quoted- At Amortised Cost				
7.35% Bonds - Face Value of ₹ 1000/- each in Indian Railway Finance Corp. Ltd.	5,878.00	58.78	5,878.00	58.78
7.28% Bonds - Face Value of ₹ 1000/- each in Indian Railway Finance Corp. Ltd.	30,200.00	302.00	30,200.00	302.00
7.35% Bonds - Face Value of ₹ 1000/- each in National Highway Authority of India	14,285.00	142.85	14,285.00	142.85
7.39% Bonds - Face Value of ₹ 1000/- each in National Highway Authority of India	7,709.00	77.09	7,709.00	77.09
7.49% Bonds - Face Value of ₹ 1000/- each in Indian Renewable Energy Development Agency Ltd	34,060.00	340.60	34,060.00	340.60
7.39% Bonds - Face Value of ₹ 1000/- each in Housing and Urban Development Corp. Ltd.	7,007.00	70.07	7,007.00	70.07
7.35% Bonds - Face Value of ₹ 1000/- each in National Bank for Agriculture and Rural Development	5,010.00	50.10	5,010.00	50.10
7.11% Bonds - Face Value of ₹ 1000/- each in Power Finance Corporation Ltd.	2,567.00	25.67	2,567.00	25.67
18.50% NCD-Face Value of ₹ 1000000/- each of Manyata Developers Pvt. Ltd.	20.00	86.39	20.00	127.37
c. Unquoted- At Amortised Cost				
Units of Annuities In Senior Secured Estate Fund	3,23,058.69	323.06	3,38,233.58	338.23
Units of IIFL Real Estate Fund-Series 2	47,09,658.52	314.60	47,09,658.52	358.98
Units of Religare Credit Investment Trust	-	0.88	22.73	41.75
Units of ICICI Prudential Real Estate	63,430.94	70.75	1,22,953.24	130.44
Units of IIFL Real Estate Fund-Series 3	18,50,000.00	79.18	18,50,000.00	84.58
d. Unquoted- At Fair Value through Profit & Loss				
Units of UTI Structured Debt Opportunities Fund	1,57,59,785.40	496.90	1,34,49,205.63	243.47
Investment in Mutual Funds				
a. Quoted- At Fair Value through Profit & Loss				
Units of UTI Fixed Term Income Fund Series-1113 Days	-	-	30,00,000.00	331.68
Units of Reliance Fixed Horizon Fund-XXXV-Series 13	30,00,000.00	357.59	30,00,000.00	327.77
Units of UTI Fixed Term Income Fund Series-1204 Days	30,00,000.00	357.14	30,00,000.00	327.51
Units of ICICI Prudential Fixed Maturity Plan Series 82-1203 Days	30,00,000.00	356.94	30,00,000.00	327.37
Units of ICICI Prudential Fixed Maturity Plan Series 82-1215 Days	30,00,000.00	357.42	30,00,000.00	327.84



Notes to Consolidated Financial Statement for the year ended March 31, 2020

8. LOANS

(₹ In lacs)

Unsecured, Considered good unless otherwise stated	As at March 31, 2020	As at March 31, 2019
Non Current		
Loans to employees	15.28	16.54
Security Deposits	362.81	325.40
	378.09	341.94
Break up of Security Details		
Loans considered good-Secured	–	–
Loans considered good-Unsecured	378.09	341.94
Loans which have significant increase in Credit Risk	–	–
Loans-Credit impaired	–	–
Total	378.09	341.94
Less : Allowance	–	–
Total	378.09	341.94
Current		
Loans to employees	92.37	70.13
Security Deposits	202.30	168.29
Loans to corporates and others		
Unsecured, Considered good*	2,600.00	3,050.00
Doubtful	545.71	195.71
Less: Allowance for doubtful debts	(295.71)	(195.71)
	3,144.67	3,288.42
Break up of Security Details		
Loans considered good-Secured	–	–
Loans considered good-Unsecured	2,894.67	3,288.42
Loans which have significant increase in Credit Risk	350.00	–
Loans-Credit impaired	195.71	195.71
Total	3,440.38	3,484.13
Less : Allowance	(295.71)	(195.71)
Total	3,144.67	3,288.42
Footnotes :		
a.	*Includes amount due to related parties amounting to ₹ 2500.00 Lacs (March 31, 2019 ₹ 2500 Lacs). Refer Note-40.	
b.	There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.	



Notes to Consolidated Financial Statement for the year ended March 31, 2020

9. OTHER FINANCIAL ASSETS

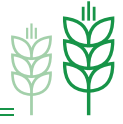
(₹ In lacs)

Unsecured, Considered good unless otherwise stated		As at March 31, 2020	As at March 31, 2019
Non Current			
	Fixed Deposits With Banks*	2,217.54	951.56
	Claim Receivable	–	32.88
		2,217.54	984.44
Current			
	Interest Accrued On Loans and Investment	51.50	46.40
	Claim Receivable	1,163.19	6,492.42
		1,214.69	6,538.82
Footnotes :			
a.	*Includes interest accrued thereon. Lien marked against the Overdraft facility taken from bank as shown under the head "Borrowings"		
b.	There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.		

10. INVENTORIES

(₹ In lacs)

		As at March 31, 2020	As at March 31, 2019
	Raw materials*	7,875.38	4,479.71
	Packing materials**	1,547.09	1,742.59
	Work in Progress	689.12	810.11
	Finished Goods***	11,265.37	11,063.87
	Stock in Trade****	3,535.90	2,480.58
	Store and spares	72.84	106.15
	TOTAL	24,985.70	20,683.01
Footnotes :			
a.	The mode of valuation of inventories has been stated in note no 3(f)		
b.	Refer note 17(a) for information on Inventories pledged as security by the company to banks		
c.	*: Stock of Raw Materials includes value of goods in transit of ₹ 1036.32 lacs [March 31, 2019 : ₹ 228.13 lacs]		
d.	**: Stock of Packing Materials includes value of goods in transit of ₹ 61.45 lacs [March 31, 2019 : ₹ 38.83 lacs]		
e.	***: Stock of Finished Goods includes value of goods in transit of ₹ 462.50 lacs [March 31, 2019 : ₹ 158.60 lacs]		
f.	****: Stock in Trade includes value of goods in transit of ₹ 137.36 lacs [March 31, 2019 : ₹ 7.01 lacs]		
g.	Cost of Inventories recognized as an expense during the year amount to ₹ 74,095.82 lacs [P.Y. ₹ 64,756.23 lacs]		



Notes to Consolidated Financial Statement for the year ended March 31, 2020

11. TRADE RECEIVABLES

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered good*	24,704.52	22,200.20
Less: Allowance for doubtful debts (expected credit loss allowance) (Refer Note-43)	(463.66)	(332.60)
TOTAL	24,240.86	21,867.60
Break up for Security Details		
Trade Receivables considered good-Secured	-	-
Trade Receivables considered good-Unsecured	24,704.52	22,200.20
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables-Credit impaired	-	-
TOTAL	24,704.52	22,200.20
Less: Allowance for doubtful debts (expected credit loss allowance) (Refer Note-43)	(463.66)	(332.60)
TOTAL	24,240.86	21,867.60
Footnotes :		
a. *Of the above, trade receivable from related parties are given below :		
Unsecured, considered good (Refer note-40)	2.93	-
b. Refer note 17(a) for information on Trade Receivable pledged as security by the company to banks		
c. There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.		

12. CASH & CASH EQUIVALENTS

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Cash & Cash Equivalents		
Balance With Banks in Current Account	216.29	5.30
Cash on Hand	102.10	40.19
Cheques / Drafts in Hand	2.54	-
Fixed Deposits With Banks*	2,201.54	-
	2,522.47	45.49
Bank Balance other than Cash and Cash Equivalents		
Balance With Banks in Unpaid Equity Dividend Account**	106.37	87.60
	106.37	87.60
Footnotes :		
a. *Includes interest accrued thereon		
b. **Earmarked against the corresponding unclaimed dividend liabilities as shown under the head "Other financial liabilities"		

13. CURRENT TAX ASSETS

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Advance Income Tax (Net of Provision for Income Tax)	457.15	1,426.94
	457.15	1,426.94



Notes to Consolidated Financial Statement for the year ended March 31, 2020

14. OTHER ASSETS

(₹ In lacs)

Unsecured, Considered good unless otherwise stated	As at March 31, 2020	As at March 31, 2019
Non Current		
Capital Advance	1,784.26	1,801.16
Receivables from Govt. Authorities	80.34	88.53
Deposits with Public Authorities	58.06	57.29
Prepaid expenses	29.33	32.17
Prepaid Lease Rental	–	7.00
Other Advances	8.41	19.96
	1,960.40	2,006.11
Current		
Prepaid expenses	315.67	307.59
Prepaid Lease Rental	–	15.46
Advances To Vendor	1,814.22	1,221.36
Receivables from Govt. Authorities	1,760.79	822.97
DEPB Licence In Stock	–	20.31
Other Advances*	102.27	57.62
	3,992.95	2,445.31

Footnotes :

- a. *Includes advances given to employees

15. EQUITY SHARE CAPITAL

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Authorized Share capital		
14,21,00,000 equity shares of ₹2/- each	2,842.00	2,842.00
Issued,subscribed and fully paid up		
4,75,78,324 equity shares of ₹2/- each	951.57	951.57
[Last Year 4,75,78,324 equity shares of ₹2/- each]	951.57	951.57

Notes:

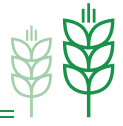
a. Reconciliation of the shares outstanding at the beginning and at the end of the year

(₹ In lacs)

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount
Opening	4,75,78,324	951.57	49,078,324	981.57
Issued during the period	–	–	–	–
Shares Extinguished on buy back*	–	–	15,00,000	30.00
Closing at the end of the year	4,75,78,324	951.57	4,75,78,324	951.57

*The Board of Directors of the Company in its meeting held on 14th November, 2018, have approved the proposal for buyback of 15,00,000 Equity shares of the Company for an amount not exceeding ₹ 82.50 crores (Rupees Eighty-Two Crore Fifty Lakh only) at a maximum price not exceeding ₹ 550/- (Rupees Five Hundred Fifty only) per Equity Share, which was further approved by the shareholders of the Company by way of special resolution through postal ballot, result of which was declared on 20th December, 2018.

Pursuant to above, Offer for Buy back of equity shares of Company was open from 25th January, 2019 to 7th February, 2019. The settlement of shares was completed on 14th February, 2019 and 15,00,000 shares were extinguished on 16th February, 2019 in terms of SEBI (Buy Back of Securities) Regulations, 2018. Consequent to above Buy Back, paid up share capital of the Company have been reduced by ₹ 30,00,000/-.



Notes to Consolidated Financial Statement for the year ended March 31, 2020

b.	Terms/Rights attached to Issued Equity Shares																								
1	The Company has only one class of Equity Shares having at par value of ₹2/- per share. Each Equity share is entitled to one vote.																								
2	In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts.																								
3	The distribution will be in proportion to the number of Equity Shares held by the shareholders.																								
c.	Details of shareholders holding more than 5% shares in the company																								
	<table border="1"> <thead> <tr> <th rowspan="2">Name of the Shareholder</th> <th colspan="2">As at March 31, 2020</th> <th colspan="2">As at March 31, 2019</th> </tr> <tr> <th>No. of Shares (In Lacs)</th> <th>% holding</th> <th>No. of Shares (In Lacs)</th> <th>% holding</th> </tr> </thead> <tbody> <tr> <td>M/s Triveni Trust</td> <td>290.35</td> <td>61.03%</td> <td>290.35</td> <td>61.03%</td> </tr> <tr> <td>M/s Pushpa Dhanuka Trust</td> <td>51.84</td> <td>10.90%</td> <td>51.84</td> <td>10.90%</td> </tr> <tr> <td>M/s DSP Blackrock Trustee Co. Pvt Ltd</td> <td>34.84</td> <td>7.32%</td> <td>34.84</td> <td>7.32%</td> </tr> </tbody> </table> <p>As per the records of the Company, including its Register of Shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.</p>	Name of the Shareholder	As at March 31, 2020		As at March 31, 2019		No. of Shares (In Lacs)	% holding	No. of Shares (In Lacs)	% holding	M/s Triveni Trust	290.35	61.03%	290.35	61.03%	M/s Pushpa Dhanuka Trust	51.84	10.90%	51.84	10.90%	M/s DSP Blackrock Trustee Co. Pvt Ltd	34.84	7.32%	34.84	7.32%
Name of the Shareholder	As at March 31, 2020		As at March 31, 2019																						
	No. of Shares (In Lacs)	% holding	No. of Shares (In Lacs)	% holding																					
M/s Triveni Trust	290.35	61.03%	290.35	61.03%																					
M/s Pushpa Dhanuka Trust	51.84	10.90%	51.84	10.90%																					
M/s DSP Blackrock Trustee Co. Pvt Ltd	34.84	7.32%	34.84	7.32%																					
d.	The Company does not have any holding / ultimate holding company																								

16. OTHER EQUITY

Reserves and Surplus	As at March 31, 2020	As at March 31, 2019
Capital Reserve		
Balance at the beginning of the Financial year	95.47	95.47
Addition during the Financial year	–	–
Deduction during the Financial year	–	–
	95.47	95.47
Capital Reserve includes profit on merger of entities		
Capital Redemption Reserve		
Balance at the beginning of the Financial year	48.82	18.82
Addition during the Financial year	–	30.00
Deduction during the Financial year	–	–
	48.82	48.82
Capital Redemption Reserve created on redemption of Equity shares		
General Reserve		
Balance at the beginning of the Financial year	–	2,455.03
Add: Transferred during the year	–	–
Less: Buy back of shares	–	(2,455.03)
	–	–
General Reserve is created out of the profits earned by the company by way of transfer from surplus in the statement of profit & loss. The same is to be utilized as per provisions of the Companies Act, 2013.		



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Notes to Consolidated Financial Statement for the year ended March 31, 2020

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Retained Earnings		
Balance at the beginning of the Financial year	63,126.16	59,784.99
Addition during the Financial year	14,134.85	11,257.58
Less: Buy back of shares	-	(5,794.97)
Add/ (Less):		
Remeasurements of the defined benefit plans through OCI	(371.62)	(50.62)
Dividend paid including Dividend Distribution Tax (DDT)	(7,227.14)	(2,070.82)
	69,662.25	63,126.16
Total	69,806.54	63,270.45
Retained Earnings represents undistributed profits of the company which can be distributed to its Equity Shareholders in accordance with the requirements of Companies Act, 2013.		
Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.		

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Detail of Dividend Paid		
a.) Dividend Paid		
Final Dividend Declared for F.Y. 2017-18 [Dividend Paid ₹ 3.50/- per share]	-	1717.74
Dividend Distribution Tax	-	353.08
Final Dividend Declared for F.Y. 2018-19 [Dividend Paid ₹ 0.60/- per share]	285.47	-
Dividend Distribution Tax	58.68	-
Interim Dividend Declared for F.Y. 2019-20 [Dividend Paid ₹12.00/- per share]	5,709.40	-
Dividend Distribution Tax	1,173.59	-
	7,227.14	2,070.82

17. BORROWINGS (CURRENT)

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Secured		
From Banks-Loan Repayable on Demand		
Cash Credit limits from Banks	0.82	1,396.71
Over Draft Against Pledge of FDR	797.67	824.54
	798.49	2,221.25
Footnotes :		
a.	Cash Credit Limits from Banks are secured by hypothecation of stocks of raw materials, work in process, finished goods, book debts and other movable assets on pari-passu basis and by joint and several guarantee of the Directors of the Company. Loan from Banks are repayable on demand and carried interest @ 8.85% to 10.15% p.a.	
b.	Overdraft facilities has been taken from bank against Lien mark of Fixed Deposits as shown under the head "Other Non Current Financial Assets"	

Notes to Consolidated Financial Statement for the year ended March 31, 2020

18. TRADE PAYABLES

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	693.34	117.81
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises*	10,627.76	7,635.36
	11,321.10	7,753.17
Footnotes :		
a. *Includes amount due to related parties amounting to ₹ 688.85 Lacs (March 31, 2019 ₹ 590.68 Lacs)-Refer Note-40		
b. Refer note 41 for information on total outstanding dues of micro enterprises and small enterprises		

19. OTHER FINANCIAL LIABILITIES

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Non Current		
Security Received from Customers*	1,342.43	1,284.49
Security received from Staff	–	0.84
Capital Creditors	–	245.44
Lease Liability	257.95	–
	1,600.38	1,530.77
Current		
Unclaimed Dividend**	106.37	87.60
Capital Creditors	68.52	82.54
Other Payable***	5,587.92	4,157.24
Lease Liability	231.07	–
	5,993.88	4,327.38
Footnotes :		
a. *Security Received from Customers includes Security Received from C&F Agents		
b. **There are no outstanding dues to be paid to Investor Education & Protection Fund.		
c. ***Other payables includes Employee related costs and provision of Expenses and discounts and rebates on sale.		

20. PROVISIONS

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Provision For Employee Benefits		
Non Current		
Provision for Gratuity	496.84	161.61
Provision for Compensated absences	72.01	81.36
	568.85	242.97
Current		
Provision for Compensated absences	25.58	27.55
	25.58	27.55
Footnotes :		
a. Refer note 36(b) for information on Defined benefit plans-Gratuity		



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Notes to Consolidated Financial Statement for the year ended March 31, 2020

21. DEFERRED TAX LIABILITIES (NET)

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities	786.83	1,407.00
Deferred Tax Assets	(252.92)	(186.33)
	533.91	1,220.67

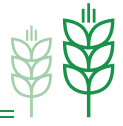
	As at April 1, 2018	Recognized in P&L	As at March 31, 2019
Deferred tax (assets)/ liabilities are attributable to the following items :			
Deferred Tax Liabilities			
Property, plant and equipment & Intangible assets	1,202.17	(106.84)	1,095.33
Investments	185.36	126.31	311.67
	Total-(A)	19.47	1,407.00
Deferred Tax Assets			
Amalgamation Expenses	(3.40)	1.68	(1.72)
Trade Receivables	(50.64)	(133.97)	(184.61)
	Total-(B)	(132.29)	(186.33)
Net Deferred Tax Liability	(A+B)	(112.82)	1,220.67

	As at April 1, 2019	Recognized in P&L	As at March 31, 2020
Deferred tax (assets)/ liabilities are attributable to the following items :			
Deferred Tax Liabilities			
Property, plant and equipment & Intangible assets	1,095.33	(491.89)	603.44
Investments	311.67	(128.28)	183.39
	Total-(A)	(620.17)	786.83
Deferred Tax Assets			
Amalgamation Expenses	(1.72)	1.72	–
Trade Receivables	(184.61)	(61.62)	(246.23)
Lease Liability	–	(6.69)	(6.69)
	Total-(B)	(66.59)	(252.92)
Net Deferred Tax Liability	(A+B)	(686.76)	533.91

22. OTHER LIABILITIES

(₹ In lacs)

	As at March 31, 2020	As at March 31, 2019
Non Current		
Advances from customers	–	–
	–	–
Current		
Advances from customers	1,026.14	942.80
Statutory dues payable	593.21	1,043.83
	1,619.35	1,986.63



Notes to Consolidated Financial Statement for the year ended March 31, 2020

23. REVENUE FROM OPERATIONS

(₹ In lacs)

		For the year ended March 31, 2020	For the year ended March 31, 2019
a.	Revenue From Operations		
	Sales of products		
	Finished Goods		
	– Agrochemical	94,983.67	85,711.68
	Traded Goods		
	– Agrochemical	15,878.24	13,717.67
		(A)	1,10,861.91
	Other operating revenues		
	Income From Power Generation Plant	171.78	178.94
	Scrap Sales	317.77	308.99
	Tax Incentive from Govt.	655.62	666.52
		(B)	1,145.17
	Total Revenue	(A)+(B)	1,12,007.08
b.	Reconciliation of Revenue from contract with customers :		
	Revenue as per contracted price	1,24,393.66	1,13,575.53
	Less : Discounts & Rebates	12,386.57	12,991.73
	Revenue from contract with customers	1,12,007.08	1,00,583.80
c.	Contract balances :		
	The following table provides information about receivables, contract assets and contract liabilities from contracts with customers :		
		As at March 31, 2020	As at March 31, 2019
	Trade Receivables*	24,240.86	21,867.60
		24,240.86	21,867.60
	Contract Liabilities		
	Advances from Customers	1,026.14	942.80
		1,026.14	942.80
	* Trade receivables are non-interest bearing and are generally on terms of 90 to 120 days.		
d.	The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) is as follows :		
		As at March 31, 2020	As at March 31, 2019
	Advances from customers	1,026.14	942.80
		1,026.14	942.80



Notes to Consolidated Financial Statement for the year ended March 31, 2020

24. OTHER INCOME

(₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income on Financial Assets at amortised cost	1,124.69	714.40
Dividend Income	291.10	159.94
Net Gain on sale of investments	83.58	280.11
Net Gain on Investments measured at fair value through profit or loss	380.77	352.79
Other Non-Operating Income		
Rent Received	9.83	5.82
Miscellaneous Receipts	360.43	538.54
Net Gain On Foreign Currency Transactions	–	38.18
Net Profit on disposal of property, plant and equipment	8.91	13.11
Liabilities No Longer Required, Written Back	249.53	17.56
	2,508.84	2,120.45

a *Refer note-40 for transactions with Related Party

25. COST OF MATERIALS CONSUMED

(₹ In lacs)

		For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Materials			
Inventories at the beginning of the financial year		4,479.71	6,570.93
Add : Purchases		54,980.10	46,147.38
Less : Inventories at the end of the financial year		(7,875.38)	(4,479.71)
Cost of Raw Material Consumed	(A)	51,584.43	48,238.60
Packing Materials			
Inventories at the beginning of the financial year		1,742.59	1,674.87
Add : Purchases		6,464.95	6,459.27
Less : Inventories at the end of the financial year		(1,547.09)	(1,742.59)
Cost of Packing Materials Consumed	(B)	6,660.45	6,391.55
	(A)+(B)	58,244.88	54,630.15

26. PURCHASE OF STOCK IN TRADE

(₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Agrochemical	14,060.05	9,250.76
	14,060.05	9,250.76

Notes to Consolidated Financial Statement for the year ended March 31, 2020

27. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN -TRADE AND WORK-IN-PROGRESS (₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the end of the period		
Stock in Trade	3,535.90	2,480.58
Work in Progress	689.12	810.11
Finished Goods	11,265.37	11,063.87
	15,490.39	14,354.56
Inventories at the beginning of the period		
Stock in Trade	2,480.58	2,321.70
Work in Progress	810.11	674.50
Finished Goods	11,063.87	9,144.17
	14,354.56	12,140.37
(Increase)/Decrease in Inventories	(1,135.83)	(2,214.19)

28. EMPLOYEE BENEFIT EXPENSES (₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	9,435.89	9,453.37
Contribution to Provident & Other funds	428.03	427.16
Gratuity	125.26	111.00
Compensated absences	289.00	236.30
Staff Welfare Expenses	244.63	237.96
	10,522.81	10,465.79
Footnotes :		

- a. Refer note 36(a) for information on Defined Contribution plan
b. Refer note 36(b) for information on Defined benefit plan-Gratuity
c. Refer note 36(c) for information on Other employee benefits-Compensated absences
d. Refer note-40 for transactions with Related Party

29. FINANCE COSTS (₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on bank overdraft & working capital limits	19.21	15.65
Interest on lease liability	64.38	–
Interest on Security Deposits & others	72.10	73.64
	155.69	89.29

30. DEPRECIATION AND AMORTIZATION EXPENSES (₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on Property, Plant & Equipment (Refer Note-4)	1,592.47	1,191.48
Amortization of Intangible Assets (Refer Note-6)	43.42	43.37
	1,635.89	1,234.85

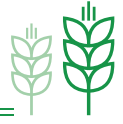


Notes to Consolidated Financial Statement for the year ended March 31, 2020

31. OTHER EXPENSES

(₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Power, fuel, electricity & water charges	164.21	190.15
Consumable Stores	78.93	110.62
Packing Charges	221.39	188.88
Repair & Maintenance, Machinery	147.47	106.86
Repair & Maintenance, Factory Building	27.01	73.58
Incineration Charges	1.35	2.53
Security Charges	52.46	69.55
Laboratory expenses	30.78	29.58
ISI Marking Fees	5.71	6.87
R&D expenses	352.13	223.20
Travelling and conveyance	1,086.83	1,377.35
Communication Expenses	109.09	137.56
Postage and Telegram	30.56	36.77
Printing and Stationery	49.72	56.45
Office and Godown Rent	113.33	558.50
Rates and Taxes	56.88	152.95
Insurance Charges	315.60	180.78
Legal and Professional Charges	447.41	337.21
Repair & Maintenance-Building	232.99	193.11
Repair & maintenance-Other	285.34	175.01
Security Charges-Offices	37.08	25.07
Electricity & Water Charges	65.47	62.48
Books and Periodicals	3.07	2.71
Recruitment Expenses	37.88	33.49
Fees and Subscription	50.29	35.69
Charity and Donation	14.15	9.57
Bank Charges	15.12	14.26
Miscellaneous Expenses	8.83	9.56
Directors' Sitting Fee	9.00	11.60
Payment to Auditors (Refer Note 31.1)	17.14	15.52
Vehicles Hiring & Maintenance	1,035.37	1,400.75
Net Loss on Foreign Currency Transactions	42.00	-
Property, Plant and Equipment Written off	-	15.05
Loss on Insurance Claim Received	26.87	-
CSR Expenses (Refer Note 31.2)	323.17	333.09
Education and Seminar	656.01	717.87
Advertisement and Publicity	488.42	596.36
Business Promotion Expenses	156.53	123.03
Allowance for Bad and Doubtful Debts & Loans (Net)	425.58	348.41
Freight & Cartage on STV & Sales	3,361.90	3,120.39
Field Assistant Expenses	1,363.55	1,529.29
C&F Commission	1,033.26	1,240.38
	12,979.88	13,852.08



Notes to Consolidated Financial Statement for the year ended March 31, 2020

(₹ In lacs)

		For the year ended March 31, 2020	For the year ended March 31, 2019
31.1	Payment to Auditors		
	Statutory Auditors		
	Audit Fees	11.00	9.00
	Limited Review Fees	3.00	3.00
	Tax Audit Fees	2.00	2.00
	Certification & Other Matters	–	1.00
	Reimbursement of expenses	1.14	0.52
	TOTAL	17.14	15.52

(₹ In lacs)

		For the year ended March 31, 2020	For the year ended March 31, 2019
31.2	Amount Spent on CSR Activities		
	Gross amount required to be spent by the company during the year	322.49	315.72
	Amount spent during the year		
	Promotion of Education	240.10	192.09
	Preventive Healthcare	26.34	51.42
	Eradicating Hunger	1.08	9.00
	Safe Drinking Water	–	3.13
	Livelihood Enhancement Projects	33.50	9.96
	Facilities for Senior Citizens	0.50	0.50
	Environmental Sustainability	21.65	66.99
		323.17	333.09

32. EXCEPTIONAL ITEMS

(₹ In lacs)

		For the year ended March 31, 2020	For the year ended March 31, 2019
	Insurance Claim Receivable	–	5,661.59
	Loss Due to Fire	–	(5,661.59)
		–	–

Footnotes :

There was a fire incident in our manufacturing unit situated at Keshwana, Rajasthan on 30th September, 2018. Due to fire, Loss as well as Claim receivable against Inventory and other tangible assets worth ₹ 5661.59 lacs has been recognized in book of account in the previous Year. Now Company has received this claim in FY 19-20



Notes to Consolidated Financial Statement for the year ended March 31, 2020

33. INCOME TAX EXPENSE

a. Income tax recognized in profit or loss

(₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax expense		
Current Tax	4,604.46	5,283.03
Tax of earlier year provided / written back	–	(1,032.27)
Deferred tax expense		
Origination and reversal of temporary differences	(686.76)	(112.82)
	3,917.70	4,137.94

b. Reconciliation of effective tax rate

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	18,052.55	15,395.52
Tax using the Company's domestic tax rate i.e. 25.168% (Last Year 34.944%)	4,543.47	5,379.81
Effect of Expenses not deductible for tax purpose	98.55	82.28
Effect of Income Exempt from tax	(107.70)	(118.98)
Effect of Concessions and Tax incentives	(0.66)	(135.54)
Effect of Lower tax Rate for the capital gains	(66.78)	(30.32)
Other	(93.53)	(17.69)
Adjustment in respect of current tax related to earlier years	–	(1,032.27)
Adjustment in respect of Deferred tax related to earlier years	(455.65)	10.65
Income tax Expenses recognised in the statement of profit and loss	3,917.70	4,137.94

34. OTHER COMPREHENSIVE INCOME

(₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	(371.62)	(50.62)
(ii) Income tax relating to items that will not be reclassified to profit or loss	–	–
(i) Items that will be reclassified to profit or loss	–	–
(ii) Income tax relating to items that will be reclassified to profit or loss	–	–
	(371.62)	(50.62)



Notes to Consolidated Financial Statement for the year ended March 31, 2020

35. Earnings per share (EPS)

(₹ In lacs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit for Basic & diluted EPS (₹ In Lacs)	14,134.85	11,257.58
Number of Equity Shares at the beginning of the year	4,75,78,324.00	4,90,78,324.00
Add: Shares issued during the year	-	-
Less : Shares bought back during the year	-	15,00,000.00
Total Number of Shares outstanding at the end of the year	4,75,78,324.00	4,75,78,324.00
Weighted Average number of Equity Shares outstanding during the year	4,75,78,324.00	4,89,01,611.67
Earnings Per Share - Basic (₹)	29.71	23.02
Earnings per share - Diluted (₹)	29.71	23.02
Face value per share (₹)	2.00	2.00

36. EMPLOYEE BENEFITS

The group participates in defined contribution and benefit schemes, the funded assets of which are held in separately administered funds. For defined contribution schemes the amount charged to the statements of profit & loss is the total of contributions payable in the year.

a. Defined Contribution Plans

The group has Defined Contribution Plans for post-employment benefits namely Provident Fund, Superannuation Fund and National Pension Scheme, which are administered by appropriate Authorities.

The group contributes to a Government administered Provident Fund, Employees' Deposit Linked Insurance Scheme and Employee Pension Scheme, on behalf of its employees and has no further obligation beyond making its contribution.

The Superannuation Fund and National Pension Scheme applicable to certain employees is a Defined Contribution Plan as the group contributes to these Schemes which are administered by an Insurance

Company and has no further obligation beyond making the payment to the Insurance Company.

The group contributes to State Plans namely Employees' State Insurance Fund and has no further obligation beyond making the payment to them.

The group's contributions to the above funds are charged to revenue every year.

The group has recognized an expense of ₹ 426.14 lacs (Previous year ₹ 426.61 lacs) towards the defined contribution plans.

b. Defined Benefit Plans

In accordance with the payment of Gratuity Act, 1972, the group has a Defined Benefit Plan namely "Gratuity Plan" covering its employees. The Gratuity scheme is funded through Group Gratuity-cum-Life Assurance Scheme and the liability for the Gratuity plan is provided based on an actuarial valuation at the year-end. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.



Notes to Consolidated Financial Statement for the year ended March 31, 2020

I. Changes in the Present Value of Obligation

(₹ In lacs)

Particulars	For the year ended	
	31 March, 2020	31 March, 2019
Present Value of Obligation as at the beginning	1,227.12	1,104.49
Current Service Cost	113.76	103.22
Interest Expense or Cost	87.31	82.78
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	0.30	-
- change in financial assumptions	154.71	68.27
- experience variance (i.e. Actual experience vs assumptions)	63.37	3.24
Past Service Cost	-	-
Benefits Paid	(148.33)	(134.88)
Present Value of Obligation as at the end	1,498.24	1,227.12

II. Changes in the fair value of plan assets

(₹ In lacs)

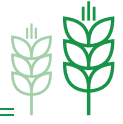
Particulars	For the year ended	
	31 March, 2020	31 March, 2019
Fair Value of Plan Assets as at the beginning	1,065.51	1,000.77
Investment Income	75.81	75.00
Employer's Contribution	161.65	103.72
Benefits Paid	(148.33)	(134.88)
Return on plan assets, excluding amount recognized in net interest expense	(153.24)	20.90
Fair Value of Plan Assets as at the end	1,001.40	1,065.51

The plan assets are managed by the Gratuity trust formed by the group. The management of 100% of the funds is entrusted with the Life Insurance Corporation of India and HDFC Life Insurance Company Limited whose pattern of investment is not available with the group.

III. Assets and Liability (Balance Sheet Position)

(₹ In lacs)

Particulars	As at	
	31 March, 2020	31 March, 2019
Present Value of Obligation	1,498.24	1,227.12
Fair Value of Plan Assets	1,001.40	1,065.51
Surplus / (Deficit)	(496.84)	(161.61)
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	(496.84)	(161.61)



Notes to Consolidated Financial Statement for the year ended March 31, 2020

IV. Bifurcation of present value of obligation at the end of the year

(₹ In lacs)

Particulars	As at	
	31 March, 2020	31 March, 2019
Current Liability (Short term)	439.07	398.13
Non-Current Liability (Long term)	1,059.17	828.99
Present Value of Obligation	1,498.24	1,227.12

V. Expenses Recognized during the period

(₹ In lacs)

Particulars	For the year ended	
	31 March, 2020	31 March, 2019
In Income Statement	125.26	111.00
In Other Comprehensive Income	371.62	50.62
Total Expenses Recognized during the period	496.88	161.62

VI. Actuarial Assumptions

Particulars	As at	
	31 March, 2020	31 March, 2019
Discount rate (per annum)	5.60%	7.10%
Salary growth rate (per annum)	10.00%	9.00%
Mortality rate {% of IALM 12-14 (P.Y. 06-08)}	100.00%	100.00%
Attrition / Withdrawal rate (per annum)	15.00%	15.00%

VII. Sensitivity Analysis

Significant actuarial assumptions for the determination of defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis given below:

(₹ In lacs)

Particulars	31 March, 2020		31 March, 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	1573.12 5.00%	1430.44 -4.50%	1283.06 4.60%	1176.12 -4.20%
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	1434.94 -4.20%	1566.68 4.60%	1178.22 -4.00%	1279.75 4.30%
Attrition Rate (- / + 50% of attrition rates) (% change compared to base due to sensitivity)	1647.90 10.00%	1421.52 -5.10%	1282.42 4.50%	1194.77 -2.60%
Mortality Rate (- / + 10% of mortality rates) (% change compared to base due to sensitivity)	1498.60 0.00%	1497.88 0.00%	1227.23 0.00%	1227.01 0.00%

VIII. Expected Contribution during the next annual reporting period

(₹ In lacs)

The group's best estimate of Contribution during the next year	622.69
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Notes to Consolidated Financial Statement for the year ended March 31, 2020

IX. Maturity profile of defined Benefit obligation

(₹ In lacs)

Expected cash flows over the next (valued on undiscounted basis):	Amount
1 year	439.07
2 to 5 years	668.56
6 to 10 years	518.73
More than 10 years	407.18

X. Method and assumption related terms

- 1) **Discount Rate:** - Discount rate is the rate which is used to discount future benefit cash flows to determine the present value of the defined benefit obligation at the valuation date. The rate is based on the prevailing market yields of high quality corporate bonds at the valuation date for the expected term of the obligation. In countries where there are no such bonds, the market yields at the valuation date on government bonds for the expected term is used.
- 2) **Salary escalation Rate:** - The rate at which salaries are expected to escalate in future. It is used to determine the benefit based on salary at the date of separation.
- 3) **Attrition Rate:** - The reduction in staff/employees of a company through normal means, such as retirement and resignation. This is natural in any business and industry.
- 4) **Mortality Rate:** - Mortality rate is a measure of the number of deaths (in general, or due to a specific cause) in a population, scaled to the size of that population, per unit of time.
- 5) **Projected Unit credit method:** - The Projected Unit Credit Method (sometimes known as the accrued benefit

method pro-rated on service or as the benefit/years of service method) considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The Projected Unit Credit Method requires an enterprise to attribute benefit to the current period (in order to determine current service cost) and the current and prior periods (in order to determine the present value of defined benefit obligations).

c. Other Long term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in statement of profit and loss.

The group has recognized an expense of ₹ 289.00 lacs (Previous year ₹ 236.30 lacs) towards the compensated absences

37. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In lacs)

S.No	Particular	As at March 31, 2020	As at March 31, 2019
I	Contingent Liabilities		
a.	Claims against the group not acknowledged as debt*		
	– Income Tax	–	–
	– Excise Duty (Net of Expenses recognized of Rs. 70.70 lacs)	637.81	700.60
	– Service Tax (Net of Expenses recognized of Rs. 65.20 lacs)	111.05	111.05
	– Sales Tax	158.10	172.99
	– Litigation pending in consumer forum	54.31	60.70
	– Other**	2,980.00	–
b.	Guarantees excluding financial guarantees		
	– Bank Guarantees	23.30	–



Notes to Consolidated Financial Statement for the year ended March 31, 2020

(₹ In lacs)

S.No	Particular	As at March 31, 2020	As at March 31, 2019
c.	Other money for which the group is contingently liable		
	– 'C' forms pending against central sales tax	0.10	0.10
d.	There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. Due to pending decision on the subject review petition and directions from EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.		
II	Commitments		
	– Estimated amount of contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 24.10 lacs (March 31, 2019 : ₹ 36.75 lacs)}	96.80	70.03

* Pending resolution of the respective proceedings, it is not practicable for the group to estimate the timings of the cash outflows, if any, in respect of the above as it is determinable only on receipt of the judgements/ decisions pending with various forums/ authorities.

The group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The group also believes that the above issues, when finally settled are not likely to have any significant impact on the financial position of the group.

** Group has received Refund of Terminal Excise Duty (TED) during FY 2015-16 & FY 2016-17 from Director General of Foreign Trade (DGFT). In November-2019, group has received show cause notice from DGFT for recovery of erroneous payment of Terminal Excise Duty. Against this notice, group has filed writ before Gujarat High Court and the court has stayed the recovery of the notice. As on now the matter is pending before Gujarat High Court.

38. LEASES

The group's lease asset primarily consist of leases for offices, warehouses and Vehicles having the various lease terms. Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease

a. Right of Use

Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020 :-

Particulars	(₹ In lacs)
	As at March 31, 2020
- Additions during the FY 2019-20	1,155.20
- Depreciation Charge	(543.56)
- Carrying amount as at 31 March, 2020	611.64

contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the cumulative effect of initially applying the standard recognised at the date of initial application, with right-of-use asset recognised at an amount equal to the lease liability, adjusted by the prepaid lease rent

The adoption of Ind AS 116 did not have any material impact on Statement of profit and loss and earnings per share.

Presentational changes:

The first-time application of Ind AS 116 as of April 1, 2019, resulted in the recognition of lease liabilities and Right-of-use assets adjusted by the amount of prepaid lease Rental.

In the Statement of Profit and Loss, the group recognised the depreciation of the right-of-use assets and the interest expense for the lease liabilities under Ind AS 116 instead of Rent expenses for operating leases in Other Operating Expenses as per Ind AS 17.

In the Statement of Cash Flows, Ind AS 116 had a positive effect on the operating cash flow by reducing cash outflows from operating activities, while the repayment component of lease payments and the interest expense are recognised in cash outflows from financing activities.



Notes to Consolidated Financial Statement for the year ended March 31, 2020

b. Lease Liability

The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

Particulars	(₹ In lacs)
	As at March 31, 2020
– Additions during the FY 2019-20	984.64
– Finance Cost accrued during the year	64.38
– Cash outflow/payment of Lease liability	(560.00)
– Carrying amount as at 31 st March, 2020	489.02

- c. The group has elected Para 6 of Ind AS-116 for short-term leases & recognised lease expense of Rs. 113.33 lakh associated with these lease.
- d. The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.
- e. The Maturity analysis of lease liabilities are disclosed in Note 43(b)

39. SEGMENT INFORMATION

The group has evaluated the applicability of segment reporting and has concluded that the group has only one primary business segment i.e. Agro Chemicals and one geographical reportable segment i.e. Operations mainly within India. The overall performance is reviewed by the Chairman, Managing Director, Executive directors and CFO, which has been identified as the CODM (Chief operating decision makers) by the group.

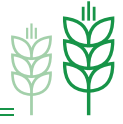
Thus the segment revenue, expenses, results, assets and liabilities are same as reflected in the financial statements as at and for the year ended 31 March, 2020.

40. RELATED PARTY DISCLOSURES

a. Nature of Related Party Relationship

I. Key Management personnel

a.) Sh. Ram Gopal Agarwal	Chairman
b.) Sh. Mahendra Kumar Dhanuka	Managing Director
c.) Sh. Arun Kumar Dhanuka	Executive Director
d.) Sh. Rahul Dhanuka	Executive Director
e.) Sh. Mridul Dhanuka	Executive Director
f.) Sh. Harsh Dhanuka	Executive Director (W.e.f. 21st May,2019)
g.) Sh. Ashish Saraf	Executive Director
h.) Sh. Priya Brat	Independent Non-Executive Director
i.) Sh. Vinod Kumar Jain	Independent Non-Executive Director
j.) Sh. Indresh Narain	Independent Non-Executive Director
k.) Sh. Sachin Kumar Bhartiya	Independent Non-Executive Director
l.) Smt. Asha Mundra	Independent Non-Executive Director (Till 20th May, 2019)
m.) Sh. Om Prakash Khetan	Independent Non-Executive Director (Till 20th May, 2019)
n.) Sh. Sanjay Saxena	Independent Non-Executive Director
o.) Sh. Bajrang Lal Bajaj	Independent Non-Executive Director (W.e.f. 21st May, 2019)
p.) Smt. Namrata Gupta	Independent Non-Executive Director (W.e.f. 21st May, 2019)
q.) Sh. Vinod Kumar Bansal	Chief Financial Officer
r.) Smt. Jyoti Verma	Company Secretary (till 11th Nov,2019)
s.) Sh. Jitin Sadana	Company Secretary (w.e.f. 13th Feb,2020)



Notes to Consolidated Financial Statement for the year ended March 31, 2020

II. Relatives of Key Management Personnel with whom transactions have taken place

- | | |
|---------------------------|--|
| a.) Sh. Harsh Dhanuka | Son of Sh. Mahendra Kumar Dhanuka
(Till 20 th May, 2019) |
| b.) Smt. Megha Dhanuka | Wife of Sh. Mridul Dhanuka |
| c.) Smt. Akangsha Dhanuka | Wife of Sh. Harsh Dhanuka |
| d.) Smt. Madhuri Dhanuka | Wife of Sh. Rahul Dhanuka |

III. Entities controlled by KMP/Relative of KMP, with whom transactions have taken place

- a.) Dhanuka Marketing Company
- b.) Mridul Dhanuka HUF
- c.) Dhanuka Private Limited
- d.) Dhanuka Laboratories Limited
- e.) Chiranji Lal Dhanuka Charitable Trust
- f.) Triveni Trust
- g.) Sikkim Agro Industries Limited
- h.) Golden Overseas Pvt. Limited
- i.) M.D. Buildtech Pvt. Limited
- j.) H.D. Realtors Pvt. Limited
- k.) Dhanuka Infotech Pvt. Limited
- l.) Otsuka Chemical (India) Pvt. Limited
- m.) IKO Overseas
- n.) Synmedic Laboratories
- o.) Synmedic Laboratories Pvt. Ltd.



Notes to Consolidated Financial Statement for the year ended March 31, 2020

b. The following transactions were carried out with related parties in the ordinary course of business: (₹ In lacs)

Transaction type	Type of Relation	2019-20			2018-19		
		Transaction during the period			Transaction during the period		
		Pur./ Amt Recd.	Sales/ Amt Paid	Balance outstanding Dr.(Cr.)	Pur./ Amt Recd.	Sales/ Amt Paid	Balance outstanding Dr.(Cr.)
Compensation to KMP							
Short term employee benefits	a(II)	–	2,063.35	–	–	1,718.02	–
Post-employment benefits*		–	79.79	–	–	68.14	–
Sitting Fee to Independent Non-Executive Directors.		–	9.00	–	–	11.60	–
Total		–	2,152.14	(441.13)	–	1,797.76	(616.20)
Other Transactions							
Sale of Property, Plant & Equipment	a(IV)d	–	2.00	2.36	–	–	–
Reimbursement of Expenses	a(IV)d	–	–	–	–	0.06	–
Services Rendered-Rent	a(IV)	–	2.40	0.57	–	2.58	–
Services Received-Rent	a(III) & a(IV)	165.17	–	(18.73)	139.86	–	–
Security Deposit Given	a(IV)f	–	208.11	–	–	–	–
Loans Given to Subsidiary company#	a(I)a	–	–	11.56	–	–	11.56
Investment in Subsidiary company	a(I)a	–	–	0.09	–	–	0.09
Loans Given/Repayment Received	a(IV)d	4,500.00	4,500.00	2,500.00	200.00	2,700.00	2,500.00
Interest on Loan	a(IV)d	2.71	–	–	3.70	–	–
Travel/Other expenses	a(IV)a	–	9.26	(1.47)	–	12.03	(8.33)
Salary paid	a(III)a	–	8.77	–	–	62.29	(3.48)
Contribution towards CSR	a(IV)e	–	205.00**	–	–	150.00	–
Services Received-C&F Commission	a(IV)a	494.54	–	(668.66)	468.98	–	(582.35)

Note-Figures are shown net of GST input Credit, wherever applicable.

*The above post-employment benefits exclude gratuity which cannot be separately identified from the composite amount advised by the actuary.

** Payment has been made to M/s Kalptaru Real Estate for construction of school building which is in the name of M/s Chiranji Lal Dhanuka Charitable Trust.

c. Terms and conditions of transactions with related parties

All the transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The group has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended March 31, 2020 and March 31, 2019.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

41. THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

The information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the group:

(₹ In lacs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1.)	Principal amount and Interest due thereon remaining unpaid to any supplier covered under MSMED Act as on 31st March		
	Principal	679.75	109.53
	Interest	-	.08
2.)	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
3.)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
4.)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	13.59	8.28
5.)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	0.01	0.59

42. FINANCIAL INSTRUMENTS

I. Financial Assets-Fair values

(₹ In lacs)

Particulars	Fair Value Hierarchy	As at March 31, 2020	As at March 31, 2019
1. Financial assets designated at fair value through profit and loss			
a) Investment			
i) In Equity Instruments	Level-1	-	280.96
ii) In Equity Instruments	Level-2	236.39	361.29
iii) In Preference Shares	Level-1	530.08	532.43
iv) In mutual funds	Level-1	10,786.53	5,161.93
v) In Debentures or Bond	Level-1	2,113.71	3,297.95
vi) In Debt Instruments	Level-2	496.90	243.47
2. Financial assets designated at amortized cost			
a) Investment			
i) In Debentures or Bond*		1,723.02	2,148.51
b) Trade receivables		24,240.86	21,867.60
c) Cash & Cash Equivalents		2,522.55	47.77
d) Other bank balances		106.37	87.60
e) Loans		3,522.76	3,630.36
f) Other Financial Assets		3,432.23	7,523.26

* Net of Provision for Doubtful Debts ₹ 219.00 lacs (March 31, 2019 : ₹ Nil)



Notes to Consolidated Financial Statement for the year ended March 31, 2020

II. Financial Liabilities-Fair Value

(₹ In lacs)

Particulars	Fair Value Hierarchy	As at March 31, 2020	As at March 31, 2019
1. Financial liability designated at amortized cost			
a) Borrowings		798.49	2,221.25
b) Trade Payables			
– Total Outstanding dues of Micro Enterprises and Small Enterprises		693.34	117.81
– Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		10,627.76	7,635.36
c) Other Financial Liability		7,594.26	5,858.15

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The carrying amounts of cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, Short term loans, trade payables, short term borrowings and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature. Fair value for security deposits (other than perpetual security deposits) has been presented in the above table. Fair value for all other non-current financial assets and liabilities is equivalent to the amortized cost, interest rate on them is equivalent to the market rate of interest.

III. Fair Value hierarchy

Level 1 - This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

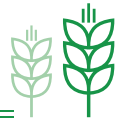
IV. Valuation techniques used to determine fair value

Level 1 – Financial assets categorized in Level 1, are fair valued based on market data as at reporting date.

Level 2 - The fair valuation of investments categorized in Level 2 has been determined on the basis of independent valuation done by respective funds.

43. FINANCIAL RISK MANAGEMENT

The group's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The group realizes that risks are inherent and integral aspect of any business. The group's board of directors has the overall responsibility for the management of these risks. The group has the risk management policies and systems in place and are reviewed regularly to reflect changes in market conditions and the group's activities. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The group's audit committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of risk



Notes to Consolidated Financial Statement for the year ended March 31, 2020

management framework in relation to the risks faced by the group.

a.) Credit Risk

Credit Risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the group. Credit risk arises from the operating activities primarily from trade receivables and from its financing activities including cash and cash equivalents, deposits with banks, Investments and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure and is as follows:

Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. The group has established a credit policy under which each customer is analyzed individually for creditworthiness before the group's credit terms are offered. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. Credit limits are established for each customer and reviewed periodically. Any sales order exceeding those limits require approval from the appropriate authority. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

In case of trade receivables, the group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience. These loss rates are adjusted by considering the available, reasonable and supportive forward looking information.

The ageing of Trade Receivables and allowances for doubtful debts are given below:

(₹ In lacs)

Ageing	As at March 31, 2020	As at March 31, 2019
Ageing of Gross Carrying Amount		
Not due	17,791.36	17,195.57
0-90	5,375.17	3,199.81
91-180	645.49	1,088.74
181-270	86.16	134.31
271-360	98.49	73.74
Above 360 Days	707.85	508.03
Gross Carrying Amount	24,704.52	22,200.20
Expected credit losses (Loss allowance provision)	463.66	332.60
Net Carrying Amount	24,240.86	21,867.60

Reconciliation of allowance for lifetime expected credit loss on customer balances:

(₹ In lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	332.60	146.33
Changes in loss allowance	131.06	186.27
Closing balance	463.66	332.60



Notes to Consolidated Financial Statement for the year ended March 31, 2020

Loans to Corporates and others

ECL for loans to corporates and others is measured considering 12 months ECL.

The company provides ECL based on following provision matrix:

(₹ In lacs)

Credit Risk Category	As at March 31, 2020		As at March 31, 2019	
	Gross	ECL	Gross	ECL
There is no risk of defaults	2,600.00	-	3,050.00	-
There is risk of Defaults	350.00	100.00	-	-
There is no reasonable expectation of recovery	195.71	195.71	195.71	195.71
Closing Balance	3,145.71	295.71	3,245.71	195.71

Following is the movements in provision for ECL on loans to corporates and others:

(₹ In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	195.71	-
Changes in loss allowance	100.00	195.71
Closing balance	295.71	195.71

Investment in Real Estate Funds

The group provides ECL based on following provision matrix:

(₹ In lacs)

Credit Risk Category	As at March 31, 2020		As at March 31, 2019	
	Gross	ECL	Gross	ECL
There is no risk of defaults	874.86	219.00	-	-
There is no reasonable expectation of recovery	-	-	-	-
Closing Balance	874.86	219.00	-	-

Following is the movements in provision for ECL on Investment in Real Estate Funds:

(₹ In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	-	-
Changes in loss allowance	219.00	-
Closing balance	219.00	-

Financial assets other than Trade Receivables, Loans to corporate & others and Investment in Real Estate Funds.

Credit risks from financial transactions are managed independently by finance department. For banks and financial institutions, the group has policies and operating guidelines in place to ensure that financial instrument transactions are only entered into with high credit rated banks and financial institutions. The group had no other financial instrument that represent a significant concentration of credit risk. So there is no impairment in these financial assets.

b.) Liquidity Risk

Liquidity risks result from the possible inability of the group to meet current or future payment obligations due to lack of cash or cash equivalents. The liquidity risk is assessed and managed by the finance department as a part of day to day and medium term liquidity planning.



Notes to Consolidated Financial Statement for the year ended March 31, 2020

The group holds sufficient liquidity to ensure the fulfillment of all planned payment obligations at maturity. The group's liquidity risk policy is to maintain sufficient liquidity reserve at all times based on cash flow projections to meet payment obligation when it falls due. The primary source of liquidity is cash generated from operations.

Liquid assets are held mainly in the form of bank deposits and mutual fund investments. The group maintain flexibility in funding by maintaining availability under cash credit lines set up with banks.

The table below analyze the group's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities essential for an understanding of timing of cash flows.

(₹ In lacs)

Particulars	Total	Less than 1 year	1-5 years	More than 5 years
As at March 31, 2020				
Borrowings (Current)	798.49	798.49	–	–
Trade Payables				
– Total Outstanding dues of Micro Enterprises and Small Enterprises	693.34	693.34	–	–
– Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	10,627.76	10,627.76	–	–
Security Received from customers	1,342.43	–	–	1,342.43
Unclaimed Dividend	106.37	106.37	–	–
Capital Creditors	68.52	68.52	–	–
Lease Liability	489.02	231.07	253.60	4.35
Other payable	5,587.92	5,587.92	–	–
As at March 31, 2019				
Borrowings (Current)	2,221.25	2,221.25	–	–
Trade Payables				
– Total Outstanding dues of Micro Enterprises and Small Enterprises	117.81	117.81	–	–
– Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	7,635.36	7,635.36	–	–
Security Received from customers	1,284.49	–	–	1,284.49
Security Received from Vendor and staff	0.84	–	0.84	–
Unclaimed Dividend	87.60	87.60	–	–
Capital Creditors	327.98	82.54	245.44	–
Other payable	4157.24	4,157.24	–	–

c.) Market Risk

i. Currency Risk

Foreign currency risks for the group is from changes in exchange rates and the related changes in the value of financial instruments in the functional currency (INR). The group is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar. The group's exposure to changes in foreign currency other than USD is not material.

To mitigate the currency fluctuation, receivables and payables in foreign currencies which arises from export and import of goods are hedged through forward exchange contracts.

The carrying amounts of the group's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:



Notes to Consolidated Financial Statement for the year ended March 31, 2020

The carrying amounts of the group's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at March 31, 2020		As at March 31, 2019	
	(₹ in lacs)	(FCY in lacs)	(₹ in lacs)	(FCY in lacs)
Amount Receivable				
USD	1,097.30*	14.56	–	–
Amount Payable				
USD	2,698.84	35.80	1,628.98	23.55

*This amount is included in the figure of Advances to Vendor (Note-14 Other Current Assets)

Sensitivities were determined on the basis of a scenario in which the INR appreciated/depreciated by 5% against USD compared with the year-end exchange rates. In this scenario, the estimated hypothetical (loss)/gain of cash flows from financial instruments have been tabulated below:

Particulars (USD Impact on profit before tax and total equity)	(₹ In lacs)	
	As at March 31, 2020	As at March 31, 2019
Increase in exchange rate by 5%	(80.06)	(54.26)
Decrease in exchange rate by 5%	80.06	54.26

Note: This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the group at the end of the reporting period. The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

i. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group has surplus cash position and does not have any major borrowings as on balance sheet date. So there is no material interest risk relating to the group's financial liabilities.

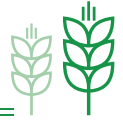
ii. Price Risk

The group is mainly exposed to the price risk due to its investment in mutual funds and classified in the balance sheet as fair value through profit and loss. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

There is no material equity risk relating to the group's equity investments which are detailed in note 7. The group's equity investments majorly comprise of strategic investments rather than trading purposes.

44. CAPITAL MANAGEMENT

The group manages its capital to ensure that the group will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance. Further its objective is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development.



Notes to Consolidated Financial Statement for the year ended March 31, 2020

The group manages capital using gearing ratio, which is total debt divided by total equity. The gearing at the end of the reporting period was as follows:

(₹ In lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings (Non-Current)	–	–
Borrowings (Current)	798.49	2221.25
Gross Debt	798.49	2,221.25
Less : Cash & Cash equivalents	2,522.55	47.77
Net Debt (a)	(1,724.06)	2,173.48
Total Equity (b)	70,758.11	64,222.02
Debt to Equity Ratio (a/b)	(0.02)	0.03

45. DISCLOSURE AS PER SECTION 186(4) OF THE COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186(4) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- Details of Investments made are given in Note 7.
- Details of loans given by the Company are as follows :

(₹ In lacs)

Name of Entity	Purpose	Amount As at March 31,2020	Amount As at March 31,2019
Dhanuka Laboratories Limited	Business	2,500.00	2,500.00
Iworld Business Solutions Pvt. Ltd.	Business	300.00	400.00
Prayag Polytech Pvt. Ltd.	Business	195.71*	195.71*
Tript Singh	Business	100.00	100.00
Sameer Kanwar	Business	50.00	50.00

*Including interest accrued thereon.

- There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

46. DISCLOSURE AS PER REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS

(₹ In lacs)

Particulars	Amount As at March 31,2020	Amount As at March 31,2019	Maximum balance outstanding during the year 31.03.2020	Maximum balance outstanding during the year 31.03.2019
Loan to company in which Directors are interested Dhanuka Laboratories Limited	2,500.00	2,500.00	4,500.00	2,500.00



Notes to Consolidated Financial Statement for the year ended March 31, 2020

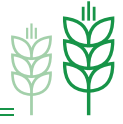
47. DISCLOSURE AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT 2013 WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS

a. As at and for the year ended March 31, 2020

Name of Entity	As at March 31, 2020		For the Year Ended March 31, 2020		For the Year Ended March 31, 2020		For the Year Ended March 31, 2020	
	Net Assets, i.e. total assets minus total liabilities		Share in profit and Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. In lacs)	As % of consolidated profit & loss	Amount (Rs. In lacs)	As % of consolidated profit & loss	Amount (Rs. In lacs)	As % of consolidated profit & loss	Amount (Rs. In lacs)
Parent								
Dhanuka Agritech Ltd.	100.01%	70,769.76	100.08%	14,146.50	100%	-371.62	100.08%	13,774.88
Wholly owned subsidiary								
Dhanuka Agri Solutions Pvt. Ltd.	-0.01%	-11.56	-0.08%	-11.65	0.00%	-	-0.08%	-11.65
Total	100%	70,758.20	100%	14,134.85	100%	-371.62	100%	13,763.23
Elimination	0.00%	(0.09)	0.00%	-	0.00%	-	0.00%	-
Total	100%	70,758.11	100%	14,134.85	100%	-371.62	100%	11,206.96

b. As at and for the year ended March 31, 2019

Name of Entity	As at March 31, 2019		For the Year Ended March 31, 2019		For the Year Ended March 31, 2019		For the Year Ended March 31, 2019	
	Net Assets, i.e. total assets minus total liabilities		Share in profit and Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. In lacs)	As % of consolidated profit & loss	Amount (Rs. In lacs)	As % of consolidated profit & loss	Amount (Rs. In lacs)	As % of consolidated profit & loss	Amount (Rs. In lacs)
Parent								
Dhanuka Agritech Ltd.	100%	64222.02	100%	11,257.58	100%	-50.62	100%	11,206.96
Wholly owned subsidiary								
Dhanuka Agri Solutions Pvt. Ltd.	0.00%	0.09	0.00%	-	0.00%	-	0.00%	-
Total	100%	64,222.11	100%	11,257.58	100%	-50.62	100%	11,206.96
Elimination	0.00%	(0.09)	0.00%	-	0.00%	-	0.00%	-
Total	100%	64,222.02	100%	11,257.58	100%	-50.62	100%	11,206.96



Notes to Consolidated Financial Statement for the year ended March 31, 2020

48. STANDARDS ISSUED BUT NOT EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

49. World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. In view of the nationwide lockdown announced by the Government of India on 24th March, 2020 to control the spread of COVID-19, group's operations were temporarily disrupted at manufacturing facilities and sales depots across the country. This resulted in partial deferment of group's revenues for the month of March to the first quarter of FY 2020-2021. The group has resumed operations in a phased manner from the beginning of April as per Government directives. Management believes that being into an essential commodity, there is no significant impact of COVID-19 pandemic on the current and future business operations of the group, financial statements liquidity position and cash flows and has concluded that no material adjustments are required in the financial statements. The group continues to closely monitor the rapidly changing situation.
50. The group has reclassified certain items of financials of comparative year to confirm this year's classification, however, impact of these reclassifications are not material.

As per our report of even date attached

For and on behalf of the Board of Directors

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration No: 000756N

Sd/-
YOGESH K GUPTA
Partner
Membership No : 093214

Sd/-
M.K. DHANUKA
Managing Director
DIN: 00628039

Sd/-
RAHUL DHANUKA
Executive Director
DIN: 00150140

Sd/-
V.K. BANSAL
Chief Financial Officer
M.No.: 86263

Sd/-
JITIN SADANA
Company Secretary
FCS No.: F 7612

Place : Faridabad (Haryana)
Dated : 10th June, 2020

Place : Gurugram (Haryana)
Dated : 10th June, 2020



NOTICE TO THE MEMBERS

Notice is hereby given that the **35th Annual General Meeting (AGM)** of the Members of **M/s. Dhanuka Agritech Limited** will be held on Tuesday, the 15th day of September, 2020 at 11.00 A.M. Indian Standard Time (IST) through Video Conferencing/other Audio Visual Means (“OAVM”) to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements for the Financial Year ended 31st March, 2020 together with the Reports of the Auditor’s and Directors’ thereon.
2. To confirm the Payment of Interim Dividend on Equity Shares declared by the Board of Directors of the Company.
3. To appoint a Director in place of Mr. Ram Gopal Agarwal (DIN: 00627386), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Mridul Dhanuka (DIN: 00199441), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. Ratification of remuneration of Cost Auditors

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 Sections 141, 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the members of the Company hereby ratifies and approves the remuneration of Rs. 2,20,000/- plus applicable taxes payable to M/s. S. Chander & Associates, Cost Accountants (Firm Registration No. 100105), who have been appointed as Cost Auditors of the Company by the Board of Directors to conduct Cost Audit of the Company for the Financial Year ending 31st March, 2021.”

“**Resolved Further That** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary or expedient to give effect to this Resolution.”

6. Reclassification of persons/entities forming part of the Promoter Group from 'Promoter and Promoter Group Category' to 'Public Category'

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

“**Resolved That** in accordance with Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions, and subject to necessary approvals from the SEBI Board, Stock Exchanges and other appropriate statutory authorities as may be necessary, the consent of the Members of the Company be and is hereby accorded to reclassify the following persons/ entities (hereinafter individually and jointly referred to as the 'applicants') forming part of the Promoter Group from 'Promoter and Promoter Group Category' to 'Public Category'.

S. No.	Name of the Shareholders	Number of Shares held	Percentage of Paid up Share Capital
1	Mr. Satya Narain Agarwal	22,500	0.05%
2	Satya Narain Agarwal HUF	41,000	0.09%
3	Mr. Abhishek Dhanuka	83,000	0.17%
4	M/s. Hindon Mercantile Limited	Nil	Nil
5	M/s. Exclusive Leasing and Finance Limited	Nil	Nil
	TOTAL	1,46,500	0.31%

“**Resolved Further That** re-classification of Promoter as public shareholders shall be subject to the following conditions:

- Such Promoter shall not directly or indirectly exercise control over the affairs of the entity.
- Increase in the level of public shareholding pursuant to re-classification of Promoter shall not be counted towards achieving compliance with minimum public shareholding requirement under rule 19A of the Securities Contracts (Regulation) Rules, 1957, and the provisions of Regulation 38 of SEBI (LODR) Regulations, 2015.
- The event of re-classification shall be disclosed to the Stock Exchanges as a material event in accordance with the provisions of these regulations.

- Board may relax any condition for re-classification in specific cases, if it is satisfied about non-exercise of control by the outgoing Promoter or its person acting in concert.”

“Resolved Further That the applicants seeking re-classification shall not :

- together, hold more than ten percent of the total voting rights in the Company;
- exercise control over the affairs of the Company directly or indirectly;
- have any special rights with respect to the Company

through formal or informal arrangements including through any shareholder agreements;

- be represented on the Board of Directors (including not having a Nominee Director) of the Company;
- act as a key managerial person in the Company;
- be a 'wilful defaulter' as per the Reserve Bank of India Guidelines;
- be a fugitive economic offender.”

“Resolved Further That after such reclassification following shall be the Promoters of the Company:

S. No.	Name of the Shareholders	Number of Shares held	Percentage of Paid up Share Capital
1	Arun Kumar Dhanuka HUF	11	0.00%
2	Gobind Lal Dhanuka HUF	10	0.00%
3	Mahendra Kumar Dhanuka HUF	180410	0.38%
4	Mr. Arjun Dhanuka	8799	0.02%
5	Mr. Arun Kumar Dhanuka	37906	0.08%
6	Mr. Harsh Dhanuka	28665	0.06%
7	Mr. Mahendra Kumar Dhanuka	28665	0.06%
8	Mr. Manish Dhanuka	275821	0.58%
9	Mr. Mridul Dhanuka	28665	0.06%
10	Mr. Rahul Dhanuka	212958	0.45%
11	Mr. Ram Gopal Agarwal	349148	0.73%
12	Mridul Dhanuka HUF	52	0.00%
13	Ram Gopal Agarwal HUF	52	0.00%
14	Smt. Akangsha Dhanuka	29629	0.06%
15	Smt. Madhuri Dhanuka	28407	0.06%
16	Smt. Mamta Dhanuka	8522	0.02%
17	Smt. Megha Dhanuka	28665	0.06%
18	Smt. Pushpa Dhanuka	19	0.00%
19	Smt. Seema Dhanuka	13215	0.03%
20	Smt. Uma Dhanuka	28665	0.06%
21	Smt. Urmila Dhanuka	28665	0.06%
22	M/s. Golden Overseas Pvt. Ltd	26	0.00%
23	Triveni Trust	29035413	61.03%
24	Pushpa Dhanuka Trust	5184379	10.90%
	TOTAL	3,55,36,767	74.69%

“Resolved Further That on approval of the SEBI Board/ Stock Exchanges upon application for reclassification of the aforementioned applicants, the Company shall effect such reclassification in the Statement of Shareholding Pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and other applicable provisions.”

“Resolved Further That Mr. Ram Gopal Agarwal, Chairman, Mr. Mahendra Kumar Dhanuka, Managing Director and Mr. Jitin Sadana, Company Secretary/ Compliance Officer of the Company or such other person as authorized by the Board, be and is hereby severally authorized to submit application for reclassification to the SEBI Board, Stock Exchanges wherein the securities of the Company are listed or any other regulatory body as may be required and to take such steps expedient or desirable to give effect to this resolution.”



7. **Loan to M/s. Dhanuka Laboratories Limited (DLL)**

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

“Resolved That pursuant to the provision of Section 185 and other applicable provisions if any, of the Companies Act, 2013 and rules made thereunder (as may be amended from time to time ('the Act'), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 consent of the Members of the Company, be and is hereby accorded to grant loan to M/s. Dhanuka Laboratories Limited (DLL), a Company in which one or more Directors are interested and which is a related party, up to an amount of Rs. 50 Crores (Rupees Fifty Crores Only) from time to time in one or more tranches for its Principal Business Activities on such terms and conditions as the Board of Directors in discussion with DLL may finalize.”

“Resolved Further That the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

8. **Appointment of Mr. Siraj Azmat Chaudhry (DIN: 00161853) as an Independent Director of the Company**

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

“Resolved That pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and Rules framed thereunder, read with Schedule IV to the Companies Act, 2013, as amended from time to time, Mr. Siraj Azmat Chaudhry (DIN: 00161853), who has submitted a declaration stating that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who was appointed as an Additional Director by the Board of Directors, being eligible for appointment, be and is hereby appointed as a non-retiring Independent Director of the Company for a period of 5 (Five) consecutive years with effect from 22nd July, 2020.”

“Resolved Further That the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Director(s) to give effect to the aforesaid resolution.”

9. **Change in designation of Mr. Mridul Dhanuka (DIN: 00199441) as Non-executive Director of the Company and to approve the change in his remuneration**

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

“Resolved That pursuant to the provisions of Section 152, 197 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Articles of Association and subject to such other requisite approvals as may be required in this regard, consent of the Members be and is hereby accorded for change in designation of Mr. Mridul Dhanuka (DIN: 00199441) from “Executive Director” to “Non-executive Director” of the Company with effect from 29th June, 2020, whose period of office shall be liable to determine by the retirement of Directors by rotation”

“Resolved Further That Mr. Mridul Dhanuka, Non-Executive Director, will not be entitled to receive salary and other benefits as mentioned in Agreement dated 24th May, 2016 executed between the Company and Mr. Mridul Dhanuka, from 29th June, 2020, however, he will continue to receive a Commission as mutually decided by the Board and Mr. Mridul Dhanuka, subject to a maximum rate of 1% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013.”

“Resolved Further That the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

10. **Re-appointment of Mr. Sachin Kumar Bhartiya as an Independent Director for Second Term of 5 years**

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

“Resolved That pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 framed thereunder, read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Sachin Kumar

Bhartiya (DIN: [02122147](#)), who was appointed as an Independent Director and who holds the office of Independent Director up to 09th February, 2021 and who meets the criteria for Independence, being eligible for re-appointment be and is hereby re-appointed as a non-retiring Independent Director on the Board of the Company for Second Term of 5 (Five) consecutive years w.e.f. 9th February, 2021.”

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all other acts, deeds and things as may be necessary in this regard.”

11. **Buyback of Equity Shares of the Company through Tender Offer route.**

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

“**Resolved That** pursuant to Article 12 of the Articles of Association of the Company and in accordance with the provisions of Sections 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (“**Act**”) read with the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014 and other relevant Rules made thereunder, each as amended from time to time and the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (“**Buyback Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“**SEBI Listing Regulations**”) (including statutory amendment(s), modification(s) or re-enactment of the Act or the rules made thereunder or the Buyback Regulations or the SEBI Listing Regulations) and subject to such other approvals, permissions, consents, sanctions and exemptions of Securities and Exchange Board of India (“**SEBI**”), the stock exchanges on which the Equity Shares of the Company are listed (“**Stock Exchanges**”), Reserve Bank of India (“**RBI**”) and/ or other authorities, institutions or bodies (together with SEBI and RBI, the “**Appropriate Authorities**”), as may be necessary, and subject to such conditions, alterations, amendments and modifications as may be prescribed or imposed by them while granting such approvals, permissions, consents, sanctions and exemptions which may be agreed by the Board of Directors of the Company (“**Board**”, which term shall be deemed to include any committee of the Board and/ or officials, which the Board may constitute/ authorise to exercise its powers, including the powers conferred by this resolution (the

“**Buyback Committee**”), the consent of shareholders be and is hereby accorded for the Buyback by the Company of its fully paid-up equity shares having a face value of Rs. 2/- (Rupees Two only) each (“**Equity Shares**”), not exceeding at a maximum Buyback price of Rs. 1000/- (Rupees One Thousand only) per Equity Share (“**Maximum Buyback Offer Price**”) payable in cash for an aggregate amount not exceeding 100,00,00,000 (Rupees One Hundred Crores only), excluding any expenses incurred or to be incurred for the Buyback viz. brokerage costs, fees, turnover charges, taxes such as securities transaction tax and goods and services tax (if any), tax on distributed income on Buyback, stamp duty, advisors fees, filing fees, printing and dispatch expenses and other incidental and related expenses and charges etc. (“**Transaction Costs**”) (such amount hereinafter referred to as the “**Maximum Buyback Offer Size**”), being 14.27% of the total Paid-Up Equity Share Capital and Free Reserves of the Company based on the latest Standalone and Consolidated Audited Financial Statements of the Company respectively as at March 31, 2020 (being the date of the latest available Audited Standalone and Consolidated Financial Statements of the Company), from the Shareholders/ Beneficial Owners of the Equity Shares of the Company as on a Record Date to be subsequently decided by the Board/ Buyback Committee (“**Record Date**”), through the “**tender offer**” route, on a proportionate basis as prescribed under the Buyback Regulations (hereinafter referred to as the “**Buyback**”).”

“**Resolved Further That** at the Maximum Buyback Offer Price i.e. Rs. 1,000/- (Rupees One Thousand only) per Equity Share and for Maximum Buyback Offer Size i.e. Rs. 100,00,00,000 (Rupees One Hundred Crores only), indicative maximum number of Equity Shares proposed to bought back would be 10,00,000 (Ten Lakhs) Equity Shares (“**Indicative Maximum Buyback Shares**”). However the actual bought back shares may exceed the Indicative Maximum Buyback Shares, if the Buyback price fixed by the Board/ Buyback Committee is less than the Maximum Buyback Offer Price, subject to not exceeding 25% of the total paid-up Equity Share capital of the Company and the Maximum Buyback Offer Size.”

“**Resolved Further That** as required under Regulation 6 of the Buyback Regulations, the Company may Buyback Equity Shares from the existing Equity Shareholders as on Record Date (“**Eligible Shareholders**”), on a proportionate basis, provided that 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buyback or number of Equity Shares



entitled as per the shareholding of small shareholders as defined in the Buyback Regulations (“**Small Shareholders**”) as on the Record Date, whichever is higher, shall be reserved for the Small Shareholders as defined in the Buyback Regulations.”

“**Resolved Further That** the Company shall implement the Buyback using the “*Mechanism for acquisition of shares through Stock Exchange*” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI's circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, or such other circulars or notifications, as may be applicable and the Company shall approach the BSE Limited, as may be required, for facilitating the same.”

“**Resolved Further That** the Buyback from Shareholders/ Beneficial Owners who are persons resident outside India, including the foreign portfolio investors, erstwhile overseas corporate bodies and non-resident Indians, etc., shall be subject to such approvals if, and to the extent necessary or required from the concerned authorities including approvals from the RBI under the Foreign Exchange Management Act, 1999, as amended and the rules, regulations framed thereunder, if any.”

“**Resolved Further That** the Board be and is hereby authorized to delegate all or any of the power(s) conferred herein above as it may in its absolute discretion deem fit, to any Committee(s)/ Director(s)/ Officer(s)/ Authorized Representative(s) of the Company in order to give effect to the aforesaid resolutions, including but not limited to make all necessary applications to the Appropriate Authorities for their approvals including but not limited to approvals as may be required from the Securities and Exchange Board of India; preparing, signing and filing of the Public Announcement, Draft Letter of Offer/Letter of Offer with the Securities and Exchange Board of India, the Stock

Exchanges and other Appropriate Authorities; obtaining all necessary certificates and report from the statutory auditors and other third parties as required under applicable laws; entering into escrow arrangements as required in terms of the Buyback Regulations; opening, operating and closing of all necessary accounts including escrow account, special payment account, demat account as required in terms of Buy-Back Regulations; extinguishing dematerialized shares and physical destruction of share certificates in respect of the Equity Shares bought back by the Company; and filing such other undertakings, agreements, papers, documents and correspondence, as may be required to be filed in connection with the Buyback with the Securities and Exchange Board of India, the Stock Exchanges, Registrar of Companies, Delhi, depositories and/or other Appropriate Authorities as may be required from time to time.”

“**Resolved Further That** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all, acts, deeds, matters and things as it may, in absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of the resolution.”

Place: Gurugram
Date: 22nd July, 2020

By Order of the Board of Directors
For Dhanuka Agritech Limited

CIN: L24219DL1985PLC020126

Registered Office:

82, Abhinash Mansion, 1st Floor, Joshi Road,
Karol Bagh, New Delhi – 110 005 (India)
Telephone No.: (011) 23534551/57
Website: www.dhanuka.com
Email ID: investors@dhanuka.com

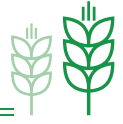
Sd/-
Jitin Sadana
Company Secretary and Compliance Officer
FCS-7612

NOTES:

- **Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the 35th Annual General Meeting pursuant to Section 102 (1) of the Companies Act, 2013, is annexed hereto and forms part of the Notice. Information on all the Directors proposed to be appointed/ re-appointed at the Meeting as required under Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India, are provided in the Annexure to this Notice.**
- As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- The members who have not yet registered their e-mail ids with the Company may contact RTA/Company, on rta@abhipra.com or investors@dhanuka.com for registering their e-mail ids on or before Tuesday, the 8th day of September, 2020. The Company shall send the Notice to such members whose e-mail ids get registered within the aforesaid time enabling them to participate in the meeting and cast their votes.
- Members are requested to support Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialised form) or with Registrar and Transfer Agent or the Company (in case of shares held in physical form) in the prescribed form which can be down loaded from the Company's website at www.Dhanuka.com, for receiving all communication including annual report, notices from the Company electronically.
- If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
- In terms of the aforesaid Circulars, the businesses set out in the Notice will be transacted by the members only through remote e-voting or through the e-voting system provided during the meeting while participating through VC facility.
- Members who cast their votes by remote e-voting may attend the Meeting through VC, but will not be entitled to cast their votes at the Meeting once again.
- Voting rights of the members for voting through remote e-voting or e-voting system provide in the Meeting itself shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, the 8th day of September, 2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting or e-voting system provide in the Meeting.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and in accordance with the aforementioned MCA Circulars, the Company has appointed CDSL for providing the VC facility to the members for participating in the Meeting. The members are requested to follow the following instructions in order to participate in the Meeting through VC mechanism:
 - a. The facility for joining the Meeting shall be kept open 15 minutes before the time scheduled to start the meeting i.e. IST 10:45 A.M. and 15 minutes after the expiry of the said scheduled time. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. The large members (i.e. members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Statutory Auditors, etc. are allowed to attend the meeting without restriction on account of first-come first-served basis.
 - b. Members who hold shares in dematerialised form are requested to furnish their Client ID and DP ID Nos. and members who hold shares in physical form are requested to furnish their folio number for easy identification of attendance at the Meeting;
 - c. Participation of single member shall only be allowed at a time;
 - d. Queries on the accounts and operations of the Company or the businesses covered under the Notice may be sent to the Company at investors@dhanuka.com at least seven days in advance of the meeting so that the answers may be made readily available at the meeting;



- e. Members are requested to e-mail at investors@dhanuka.com or call at 0124-3838500 in case of any technical assistance required at the time of login/ assessing/ voting at the Meeting through VC;
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names shall be entitled to vote.
 - Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed. In view of the MCA Circulars, no proxy shall be appointed by the members, hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, corporate members intending to attend/vote at AGM through VC/OAVM by their respective authorized representatives are required to send to the Company/ RTA/ Scrutinizer, a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act 2013, by e-mail at investors@dhanuka.com with a copy marked to jitinsadana@dhanuka.com Company Secretary of the Company authorizing their representative to attend and vote at the Meeting through VC/OAVM.
 - The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 - In accordance with the Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with guidance/clarification dated April, 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
 - The Register of Members will remain close from **Saturday, 5th September, 2020 to Tuesday, 15th September, 2020** (both days inclusive).
 - The Board of Directors in their meeting held on 13th February, 2020 has declared Interim Dividend @600% i.e. Rs. 12/- per Equity Share having a Face Value of Rs. 2/- each for the FY 2019-20 and fixed 26th February, 2020 as Record date for the purpose of payment of aforesaid Interim Dividend. The total outgo on this account was Rs. 68.84 Crores (approx.) inclusive of Corporate Dividend Tax of Rs. 11.74 Crores. The Board has decided in its meeting held on 10th June, 2020 to treat Interim Dividend as Final Dividend for FY 2019-20.
 - Members holding shares in physical form are requested to inform about any change in their address or bank particulars to the Company's Registrar and Share Transfer Agent, M/s. Abhipra Capital Limited, quoting their folio number. Members holding shares in electronic form must inform about any change in their address or bank particulars to their respective Depository Participants and not to the Company. These particulars will be used by the Company for payment of Dividend to be declared in future.
- Unpaid and Unclaimed Dividend and Shares Transfer to Investor Education and Protection Fund
 - In view of the provisions of Section 125 of the Companies Act, 2013, unclaimed/ unpaid final Dividend for the Financial Year 2012-13 and Interim Dividend for Financial Year 2013-14 shall be transferred to Investor Education and Protection Fund (IEPF) in the month of September, 2020 and March, 2021 respectively. Members, who have not yet encashed their Dividend warrant for above dates or any subsequent Financial Year(s), are requested to lodge their claims with the Company.
 - In view of the provisions of Section 124(6) of the Companies Act, 2013, read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), 2016, Shares on which Dividend has not been paid/claimed for consecutive 7 (Seven) years need to be transferred to IEPF Authority. In Financial Year 2020-21 following unclaimed shares are due to be transferred to IEPF Authority:
 - 4500 Equity Shares- Tentative Date for Transfer- September, 2020
Complete detail of such shares is available on the website of the Company i.e. www.dhanuka.com and Company has also sent individual notices to concerned Shareholders in advance.
 - Members, who have not yet encashed their Dividend warrant for above dates or any subsequent Financial Year(s), are requested to lodge their claims with the Company in order to avoid transferring of such Dividend and shares to IEPF.
 - The documents referred to in this notice and the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available only in electronic form for inspection during the Meeting through VC/OAVM.
 - The Company has appointed M/s. R&D, Company Secretaries, to act as the Scrutinizer, for conducting the scrutiny of the votes casted at AGM (e-voting as well as by Remote E-voting).
 - The Scrutinizer shall after the conclusion of E-voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through



Remote E-voting in the presence of at least two witnesses not in the employment of the Company and make, submit not later than 48 hours from the conclusion of the Annual General Meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or in his absence any other Director or Key managerial Personnel or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- The results of E-voting will be declared and the same along with the Scrutinizers' Report will be published on the website of the Company (www.dhanuka.com) and the website of CDSL (www.cdslindia.com) immediately after the declaration of result by the Chairman and the same will also be communicated to BSE Ltd. and the National Stock Exchange of India Limited (NSE) within 48 hours from the conclusion of the Annual General Meeting. Further, the results shall be displayed on the Notice Board of the Company at its Registered Office.
- Members are requested to contact the Company's Registrar & Share Transfer Agent, i.e. M/s. Abhipra Capital Limited for reply to their queries/ redressal of complaints, if any, or contact Company Secretary of the Company (Phone: 0124-3838500; Email: investors@dhanuka.com).
- The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding Shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding Shares in physical form can submit their PAN details to the Company's Registrar & Share Transfer Agent, M/s. Abhipra Capital Limited, quoting their folio number.
- As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies 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. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's Registrar and Transfer Agent, Abhipra Capital Limited ('Registrar') at www.abhipra.com for assistance in this regard.
- Non-Resident Indian Members are requested to inform RTA, immediately on:
 - (a) Change in their residential status on return to India for permanent settlement;

- (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with PIN Code number, if not furnished earlier.

Instructions for voting through electronic means (e-voting) & other instructions relating thereto are as under:

- (i) The voting period begins on **Friday, 11th September, 2020** (IST 9:00 a.m.) and ends on **Monday, 14th September, 2020** (IST 5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Tuesday, **8th September, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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 log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.



Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none">If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).
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- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Dhanuka Agritech Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

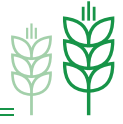
- (ix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

Instructions for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting

- (i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/ RTA email id**.
- (ii) For Demat shareholders- please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/ RTA email id**.

Instructions for shareholders attending the AGM through VC/OAVM are as under:

- Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- Shareholders are encouraged to join the Meeting through Laptops/ iPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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.
- Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/ folio number, email id, mobile number at (investors@dhanuka.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning



their name, demat account number/ folio number, email id, mobile number at (investors@dhanuka.com). These queries will be replied to by the Company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

Instructions for Shareholders for e-voting during the AGM are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted 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.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the EGM/AGM.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc.

together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@dhanuka.com, if they have voted from individual tab & 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) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.



Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013 and other applicable provision)

The following Explanatory Statement sets out all the material facts, relevant to the item(s) of the Special Business(s) contained in the Notice of 35th Annual General Meeting.

Item No. 5

Ratification of Remuneration of Cost Auditors of the Company

In accordance with the provisions of Section 148 of the Companies Act, 2013 and Rules framed thereunder, the Board of Directors, on the recommendation of the Audit Committee, in their meeting held on 10th June, 2020 had considered and approved appointment of M/s. S. Chander & Associates, Cost Accountants as Cost Auditors of the Company for the Financial Year 2020-21 to carry out Audit of Cost Accounts of the Company relating to Agro-Chemical Manufacturing Activities, at a remuneration of Rs. 2,20,000/- (Rupees Two Lac Twenty Thousand Only) (Plus out of pocket expenses and applicable taxes) subject to confirmation of members at the ensuing Annual General Meeting.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item no. 5 of the Notice to fix the remuneration payable to the Cost Auditors for the Financial Year 2020-21.

None of the Directors and Key Managerial Personnel of the Company or their relatives are in any way interested or concerned in this Resolution.

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

Item No. 6

Reclassification of Persons/ Entities forming part of the Promoter Group from 'Promoter and Promoter Group Category' To 'Public Category'.

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to "Listing Regulations, 2015", effective from December, 2015 has provided a regulatory mechanism for re-classification of Promoters as Public shareholders subject to fulfillment of conditions as provided therein.

In this regard, the Company has received applications from the following Promoter Group person/ entities pursuant to Regulations, 31 A of the Listing Regulations 2015 re-classifying them under the Public Category since their names have been included as a part of the Promoter group.

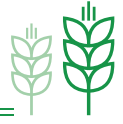
S. No.	Name of the Shareholders	Number of Shares held	Percentage of Paid up Share Capital
1	Mr. Satya Narain Agarwal	22,500	0.05%
2	Satya Narain Agarwal HUF	41,000	0.09%
3	Mr. Abhishek Dhanuka	83,000	0.17%
4	M/s. Hindon Mercantile Limited	Nil	Nil
5	M/s. Exclusive Leasing and Finance Limited	Nil	Nil
	TOTAL	1,46,500	0.31%

Mr. Satya Narain Agarwal is Karta of Satya Narain Agrawal HUF and Brother of Mr. Ram Gopal Agarwal, Chairman and Mr. Mahendra Kumar Dhanuka, Managing Director of the Company and Mr. Abhishek Dhanuka is nephew of Mr. Ram Gopal Agarwal, Chairman and Mr. Mahendra Kumar Dhanuka, Managing Director of the Company. They both are partner in M/s. Dhanuka Marketing Company which is a Commission Agent and Caretaker of the Company's operations in South and East Zone. They both are also Shareholder and Director of M/s. Dhanuka Private Limited, with which the Company has entered into 2 (Two) Lease Agreements, one for office cum godown and another for office purpose in Hyderabad, Telangana.

M/s. Hindon Mercantile Limited, is a Non-Banking Finance Company, is not a shareholder of the Company. It was the part of Promoter Group of Dhanuka Agritech Limited, however, there was change of Management taken place vide approval of Reserve Bank of India dated 20th March, 2019. Presently, Dhanuka Promoter is no-where involve in management, administration, and decision making and Board of the Company has also been changed with effect from 2nd September, 2019.

M/s. Exclusive Leasing and Finance Limited, is a Non-Banking Finance Company, is not a shareholder of the Company. It was the part of Promoter Group of Dhanuka Agritech Limited, however, there was change of Management taken place vide approval of Reserve Bank of India dated 27th December, 2018. Presently, Dhanuka Promoter is no-where involved in management, administration, and decision making and Board of the Company has also been changed with effect from 7th August, 2019.

The above referred promoters do not directly or indirectly



exercise control, over the affairs of the Company. They are also not holding any post of the Key Managerial Personnel in the Company. They also do not have any special rights through formal or informal; arrangements with the Company or Promoters or any person/ corporate in the Promoter Group.

In View of the explanations given by the applicants as detailed above and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, 2015, the Board of Directors of the Company at their meeting held on 10th June, 2020, have approved the applications for reclassification received by the Company as above from Promoter group category to Public category subject to approval by the members and relevant regulatory authorities. As required, intimation has been sent to Stock Exchange(s) based on declaration received from the aforesaid persons/ entities except Mr. Satya Narain Agarwal, Satya Narain Agarwal HUF and Mr. Abhishek Dhanuka.

None of the concerned person/ entities, acting individually or in concert, directly or indirectly exercise control over the Management or affairs of the Company. Their shareholding does not exceed 1% of the total Share Capital of the Company.

Further, as per Rule 19A of the Securities Contracts (Regulations) Rules, 1957, the public shareholding as on the date of the Notice fulfils the minimum Public Shareholding requirement of at least 25% and the processed reclassification does not intend to increase the Public Shareholding to achieve compliance with the minimum Public Shareholding requirement.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Mr. Ram Gopal Agarwal, Chairman and Mr. Mahendra Kumar Dhanuka, Managing Director of the Company, being Brother of Mr. Satya Narain Agarwal are in any way interested or concerned in this Resolution.

Promoter seeking re-classification and person related to Promoter(s) seeking re-classification shall not vote to approve such re-classification request.

The Board hereby recommends the Resolution as set out at Item No. 6 for consideration and approval of Shareholders of the Company by way of Ordinary Resolution.

Item No. 7

Loan to Dhanuka Laboratories Limited (DLL)

Pursuant to the provisions of Section 185 of the Companies Act, 2013 as amended by Companies Amendment Act, 2017, the Company may advance any Loan including any Loan represented by a Book debt to any person in whom any of the Directors of the Company is interested subject to condition that Members approve the same by way of Special Resolution.

Members are hereby informed that Dhanuka Laboratories Limited (DLL) is a Related Party as Mr. Mahendra Kumar Dhanuka, Managing Director, Mr. Arun Kumar Dhanuka, Mr. Rahul Dhanuka, Executive Directors and Mr. Mridul Dhanuka, Non-executive Directors are common Directors in both the Companies and together hold more than 25% shareholding of DLL either directly or indirectly.

DLL is in requirement of funds for running its business operations in a more efficient manner. For this purpose, the Board of Directors on the basis of the recommendation of the Audit Committee, has approved granting of Loan up to Rs. 50 Crores (Rupees Fifty Crores only) to DLL in one or more tranches, at their Meeting held on 13th February, 2020. This approval is subject to approval of Members by way of Special Resolution.

This loan shall be utilized by M/s. Dhanuka Laboratories Limited for its principal business activities only and not for granting of further loan or investment purpose.

None of the Directors/ Key Managerial Personnel (KMP) and their relatives other than above named is any way concerned or interested in this resolution.

The Board hereby recommends the resolution as set out at Item No. 7 for consideration and approval of Members of the Company by way of Special Resolution.

Item No. 8

Appointment of Mr. Siraj Azmat Chaudhry (DIN: 00161853) as an Independent Director of the Company

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors have appointed Mr. Siraj Azmat Chaudhry as Additional Director (Independent Category) in its meeting held on 22nd July, 2020. He shall hold office upto the date of 35th Annual General Meeting and is eligible for appointment as an Independent Director.

Mr. Siraj Azmat Chaudhary is an industry expert, thought leader and innovator in the agriculture and food industry. He is a key voice on issue concerning agriculture, food safety and nutrition and has worked extensively with industry, the social sector and the Government on related projects.

Mr. Siraj has over 32 years of experience in building, turning around, acquiring, and divesting businesses.

Presently he is Managing Director & CEO of National Collateral Management Services Limited and also serves as an Independent Directors on the Boards of Tata Consumer Products Limited and Tata Coffee Limited. Before this Mr. Siraj was the Chairman of Cargill India, the Indian arm of Cargill Inc, where he pioneered edible oil fortification as a practice, recognised by Fortune Magazine as a Change the World activity.

He is the currently the Co Chairman – FICCI Committee on



Agriculture. He has also been the Past Chairman of the National Committee on Food Processing at FICCI and National Committee on Food Processing at FICCI and the National Alliance for Edible Oil Fortification, a joint initiative by CII and GAIN to address malnutrition through food fortification.

He has also been past President of the Food Industry Skill Council under the NSDC. He has Chaired the Agriculture and Food Committee at American Chambers of Commerce and has also the Agriculture and Food Committee of USIBC in India.

Mr. Siraj is an eminent industry spokesperson and is a sought after key note speaker at prestigious events organized by FICCI, CII, IIM and other entities.

Mr. Siraj is not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given his consent to act as Director and has also given declaration that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Listing Regulations (as amended from time to time).

The Board of Directors is of the opinion that Mr. Chaudhry meets the criteria of Independence and fulfills the conditions for appointment as Independent Director in terms of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013. He has also submitted his willingness to act as Director of Company.

Considering his rich experience and based on recommendation of the Nomination and Remuneration Committee in its meeting held on 22nd July, 2020, the Board requested to the Members to consider his candidature for Independent Director for first term of 5 (Five) consecutive years. Mr. Chaudhry shall hold office for a period of 5 (Five) consecutive years with effect from 22nd July, 2020.

The Company has received following documents from Mr. Siraj Azmat Chaudhry proposed to be appointed as an Independent Director:

- i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014.
- ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.
- iii) A declaration to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms and conditions of his appointment shall be open for inspection by the Members at the registered office of the

Company during the normal business hours on any working day.

A copy of appointment letter of Mr. Chaudhry as an Independent Director, setting out his terms and conditions would be open for inspection by any member without any fee, at the Registered Office of the Company during normal business hours on any working day and shall also be available for inspection throughout the continuance of 35th Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Mr. Siraj Azmat Chaudhry are in any way interested or concerned in this Resolution.

The Board hereby recommends the Resolution as set out at Item No. 8 for consideration and approval of Shareholders of the Company by way of Special Resolution.

Item No. 9

Change in designation of Mr. Mridul Dhanuka (DIN: 00199441) as Non-executive Director of the Company and change in his remuneration

The Shareholders at their 31st Annual General Meeting held on 11th day of August, 2016 re-appointed Mr. Mridul Dhanuka as Whole time Director of the Company for a period of 5 (Five) years from 24th May, 2016 to 23rd May, 2021 (both days inclusive).

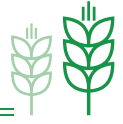
Mr. Mridul Dhanuka has been appointed as an Executive Director in M/s. Orchid Pharma Limited on 29th June, 2020. As a Director, he cannot hold the position of Executive Director in 2 (Two) Companies and therefore, Mr. Mridul Dhanuka has requested the Board to approve the change in designation from Executive Director to Non-Executive Director of M/s. Dhanuka Agritech Limited with effect from June 29, 2020.

Nomination and Remuneration Committee at its meeting held on 22nd July, 2020 has reviewed the said matter and recommended the Board for approval of change in designation and remuneration of Mr. Mridul Dhanuka.

The Board discussed the said matter at its meeting held on 22nd July, 2020 and decided that being Non-Executive Director he would not be entitled to monthly salary from the Company as approved by the Shareholder in 31st Annual General Meeting held on 11th August, 2016, however, he will continue to receive Commission on Net Profits of the Company as mutually decided by the Board and Mr. Mridul Dhanuka, subject to a maximum limit of 1% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013, subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company.

The Company has received following documents from Mr. Mridul Dhanuka for change in his designation as Non-executive Director of the Company:

- i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of



Directors) Rules, 2014.

- ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.

The copy of the Agreement referred to in the Resolution is available for inspection of the Members at the Registered Office of the Company on any working day during business hours.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Mr. Mahendr Kumar Dhanuka, Mr. Mridul Dhanuka and Mr. Harsh Dhanuka are in any way concerned or interested in this resolution.

The Board hereby recommends the resolution as set out at Item No. 9 for consideration and approval of Members of the Company by way of Special Resolution.

Item No. 10

Re-appointment of Mr. Sachin Kumar Bhartiya, Independent Director for a Second Term of 5 (Five) consecutive years on the Board of the Company

Section 149(10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term of up to 5 (Five) consecutive years on the Board and shall be eligible for re-appointment for Second Term of 5 (Five) consecutive years on passing a Special Resolution by the Company and disclosure of such appointment in its Boards' Report. Section 149(11) provides that an Independent Director may hold office for up to 2 (Two) consecutive terms.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreements with the stock exchanges, Mr. Sachin Kumar Bhartiya (DIN: 06883433) was appointed as an Independent Director on the Board of the Company for a period of 5 (Five) consecutive years from 9th February, 2016 till 8th February, 2021. He shall hold office as an Independent Director of the Company up to 9th February, 2021 ("First Term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Director, has recommended reappointment of Mr. Sachin Kumar Bhartiya as an Independent Directors for Second Term of 5 (Five) consecutive years on the Board of the Company. This appointment shall be effective from 9th February, 2021 up to 8th February, 2026. On the recommendation of the Nomination and Remuneration Committee, based upon the performance evaluation of Independent Director and the Board consider that, given his background, rich experience of diversified sector and contribution made by him during his

tenure, the continued association of Mr. Sachin Kumar Bhartiya would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, the Board has recommended reappointment of Mr. Sachin Kumar Bhartiya as an Independent Director of the Company, not liable to retire by rotation and for Second Term of 5 (Five) consecutive years on the Board of the Company effective from 9th February, 2021.

Section 149 of the Act and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company shall meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

Mr. Bhartiya is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director and also given declaration that he meets with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Listing Regulations (as amended from time to time).

In the opinion of the Board, Mr. Bhartiya meets the criteria of Independence and qualifies for appointment as an Independent Director.

Details of Director whose re-appointment as an Independent Directors for Second Term are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulation and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India (ICSI).

The terms and conditions of his appointment shall be open for inspection by the Members at the registered office of the Company during the normal business hours on any working day.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Mr. Sachin Kumar Bhartiya are in any way interested or concerned in this Resolution.

The Board hereby recommends the Resolution as set out at Item No. 10 for consideration and approval of Shareholders of the Company by way of Special Resolution.

Item No. 11

Approval for Buyback of Equity Shares

With an objective of rewarding members holding equity shares of the Company, through return of surplus cash, the Board at their meeting held on July 22, 2020 has approved the proposal of recommending Buyback of Equity Shares as contained in the Resolution in the Notice. As per the relevant provisions of the Act and other applicable provisions of the Act and Buyback Regulations, the Explanatory Statement contains relevant and material information to enable the members holding Equity



Shares of the Company to consider and approve the Special Resolution on the Buyback of the Company's Equity Shares. Requisite details relating to the Buyback are given below:

1) Details of the Buyback

The Board at their meeting held on July 22, 2020 (“**Board Meeting**”) subject to the approval of the members of the Company by way of Special Resolution and subject to such approvals of such Statutory, Regulatory or Governmental Authorities as may be required under applicable laws, approved Buyback of the Equity Shares on a proportionate basis, subject to 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buyback or number of Equity Shares entitled as per the shareholding of Small Shareholders as on the Record Date, whichever is higher, shall be reserved for the Small Shareholders in accordance with the provisions of the Buy-Back Regulations through the “Tender Offer” route as prescribed under the Buy-back Regulations and circulars issued thereunder, including the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the circulars issued in relation thereto, including the circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, or such other mechanism as may be applicable on the Buy-Back through Tender Offer route and in accordance with the Act, the Companies (Share Capital and Debentures) Rules, 2014, Companies (Management and Administration) Rules, 2014, to the extent applicable, the SEBI Listing Regulations, the Buyback Regulations, as amended from time to time, not exceeding the Maximum Buyback Offer Price payable in cash for an aggregate amount not exceeding the Maximum Buyback Offer Size, being 14.27% of the total Paid-Up Equity Share Capital and Free Reserves of the Company based on the latest Standalone and Consolidated Audited Financial Statements of the Company respectively as at March 31, 2020 (being the date of the latest available Audited Standalone and Consolidated Financial Statements of the Company).

Since the Buyback is more than 10% of the total paid-up Equity Share capital and free reserves of the Company, in terms of Section 68(2)(b) of the Act, it is necessary to obtain the consent of the Members of the Company, for the Buyback, by way of a Special Resolution. Accordingly, the Company is seeking your consent for the aforesaid proposal as contained in the Resolution No. 11 provided in this Notice.

2) Necessity for the Buyback

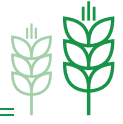
The objective of the Buyback is to return surplus cash to the members holding Equity Shares of the Company. The Board at its meeting held on July 22, 2020, considered the accumulated Free Reserves as well as the cash liquidity reflected in the audited accounts for the Financial Year ended March 31, 2020

and considering these, the Board decided to allocate a sum of not exceeding Rs. 100,00,00,000/- (Rupees One Hundred Crores only) for returning to the members holding Equity Shares of the Company through the Buyback. After considering several factors and benefits to the members holding Equity Shares of the Company, the Board decided to recommend Buyback for an aggregate amount not exceeding Rs. 100,00,00,000/- (Rupees One Hundred Crores only) and not exceeding the Maximum Buyback Offer Price. Buyback is a more efficient form of returning surplus cash to the members holding Equity Shares of the Company, inter-alia, for the following reasons:

- i. The Buyback will help the Company to return surplus cash to its members holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
- ii. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the Small Shareholders. The Company believes that this reservation for Small Shareholders would benefit a large number of public shareholders, who would get classified as "Small Shareholder".
- iii. The Buyback may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value;
- iv. The Buyback gives an option to the members holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment;
- v. Optimizes the capital structure.

3) Maximum number of securities that the Company proposes to Buyback

At Maximum Buyback Offer Price and Maximum Buyback Offer Size, the indicative maximum number of Equity Shares that can be bought back would be 10,00,000 (Ten Lakhs) fully Paid-Up Equity Shares, representing 2.10% of the total Paid-Up Equity Share capital of the Company. However the actual bought back Equity Shares may exceed the Indicative Maximum Buyback Shares, if the Buyback price fixed by the Board/Buyback Committee is less than the Maximum Buyback Offer Price, subject to number of Equity Shares bought back shall not exceed 25% of the total paid-up Equity Share capital of the Company and the amount utilized shall not exceed Maximum Buyback Offer Size.



4) Maximum Buyback Offer Price and the basis of arriving at the Maximum Buyback Offer Price

The Equity Shares of the Company are proposed to be bought back not exceeding the Maximum Buyback Offer Price. The Maximum Buyback Offer Price has been arrived at after considering various factors such as the average closing prices of the Equity Shares of the Company on stock exchanges where the Equity Shares of the Company are listed, the net worth of the Company and the impact of the Buyback on the Key Financial Ratios of the Company. The Maximum Buyback Offer Price represents (i) premium of 30.04% and 29.29% over the volume weighted average price of the Equity Shares on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") respectively, for 2 weeks preceding the date of intimation to the BSE and NSE for the Board Meeting to consider the proposal of the Buyback; (ii) premium of 22.93% and 22.90% over the closing market price of the Equity Shares on BSE and NSE respectively, as on the trading day preceding the date of prior intimation to BSE and NSE for the Board Meeting to consider the proposal of the Buyback; and (iii) premium of 21.97% and 21.82% over the closing market price of the Equity Shares on BSE and NSE respectively, as on the trading day preceding the date of the Board Meeting approving the Buyback.

5) Maximum amount required under the Buyback, its percentage of the total Paid-Up Equity Share Capital and Free Reserves and the sources of funds from which the Buyback would be financed

The maximum amount required under the Buyback will be not exceeding Rs. 100,00,00,000/- (Rupees One Hundred Crores only), being 14.27% of the total Paid-Up Equity Share Capital and Free Reserves of the Company based on the latest Standalone and Consolidated Audited Financial Statements of the Company respectively as at March 31, 2020 (being the date of the latest available Audited Standalone and Consolidated Financial Statements of the Company).

The Buyback would be financed out of Free Reserves of the Company. The Company shall transfer from its Free Reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance sheet. The funds borrowed, if any, from Banks and Financial Institutions will not be used for the Buyback. The Company confirms that as required under Section 68(2)(d) of the Act, the ratio of the aggregate of Secured and Unsecured Debts owed by the Company shall be not more than twice the Paid-Up Capital and Free Reserves after the Buyback.

6) Method to be adopted for the Buyback

The Buyback shall be on a proportionate basis from all the members holding Equity Shares of the Company through the

"Tender Offer" route, as prescribed under the Buyback Regulations. The Buyback will be implemented in accordance with the Act and rules thereunder to the extent applicable and on such terms and conditions as may be deemed fit by the Company. As required under the Buyback Regulations, the Board/Buyback Committee will announce the Record Date for determining the Eligible Shareholders. In due course, each Eligible Shareholder as on the Record Date will receive a Letter of Offer along with a Tender/Offer Form indicating the entitlement of the shareholder for participating in the Buyback. The Equity Shares to be bought back as a part of the Buyback is divided in two categories:

- Reserved category for Small Shareholders; and
- General category for all other shareholders.

As defined in Regulation 2(i) (n) of the Buyback Regulations, a "Small Shareholder" is a shareholder who holds Equity Shares having market value, on the basis of closing price on recognized stock exchange in which highest trading volume in respect of such Equity Shares is recorded, as on Record Date, of not more than Rs. 2,00,000 (Rupees Two Lakhs only).

In accordance with the proviso to Regulation 6 of the Buyback Regulations, 15% (Fifteen Percent) of the number of Equity Shares which the Company proposes to Buyback or number of Equity Shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback. The Company believes that this reservation for Small Shareholders would benefit a large number of public shareholders, who would get classified as "Small Shareholder".

Based on the holding as on the Record Date, the Company will determine the entitlement of each shareholder to tender their shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the respective category to which such shareholder belongs.

Shareholders' participation in Buyback will be voluntary. Members holding Equity Shares of the Company can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Members holding Equity Shares of the Company may also accept a part of their entitlement. Members holding Equity Shares of the Company also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any.

The maximum Equity Shares tendered under the Buyback by



any shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date. The Equity Shares tendered as per the entitlement by shareholders holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. The settlement of the Equity Shares tendered under the Buyback is expected to be done using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI's circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, or such other circulars or notifications, as may be applicable. The Company shall Buyback the Equity Shares tendered in physical form by Eligible Shareholders in terms of SEBI "FAQs - Tendering of physical shares in buy-back offer/ open offer/ exit offer/delisting" dated February 20, 2020.

Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the members holding Equity Shares of the Company as on the Record Date.

7) Time limit for completion of the Buyback

The Buyback is proposed to be completed within 12 months of the date of Special Resolution approving the proposed Buyback.

8) Compliance with Section 68(2)(c) of the Act

The aggregate Paid-Up Equity Share Capital and Free Reserves based on Consolidated Financial Results as on March 31, 2020 is Rs. 700.69 Crores (Rupees Seven Hundred Crores and Sixty Nine Lakhs only). Under the provisions of the Act, the funds deployed for the Buyback cannot exceed 25% of the aggregate of the Paid-Up Equity Share Capital and Free Reserves of the Company i.e. Rs. 175.17 Crores (Rupees One Hundred Seventy Five Crores and Seventeen Lakhs only). The maximum amount proposed to be utilized for the Buyback represents 14.27% of the total Paid-Up Equity Share Capital and Free Reserves of the Company based on the latest Standalone and Consolidated Audited Financial Statements of the Company respectively as at March 31, 2020 (being the date of the latest available Audited Standalone and Consolidated Financial Statements of the Company).

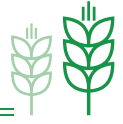
9) The aggregate shareholding of the Promoters and members of the Promoter Group and of the Directors of the Promoters, where the Promoter is a Company, Director, key managerial personnel and of persons who are in control of the Company as on the date of this notice:

S. No	Name of Shareholders	Number of Shares held	Percentage
1	Mr.Ram Gopal Agarwal	349148	0.73
2	Mr.Manish Dhanuka	275821	0.58
3	Mr.Rahul Dhanuka	212958	0.45
4	Mahendra Kumar Dhanuka HUF	180410	0.38
5	Mr.Abhishek Dhanuka	83000	0.17
6	Satya Narain Agarwal HUF	41000	0.09
7	Mr.Arun Kumar Dhanuka	37906	0.08
8	Smt.Akangsha Dhanuka	29629	0.06
9	Mr.Harsh Dhanuka	28665	0.06
10	Mr.Mahendra Kumar Dhanuka	28665	0.06
11	Smt.Megha Dhanuka	28665	0.06
12	Mr.Mridul Dhanuka	28665	0.06
13	Smt.Uma Dhanuka	28665	0.06
14	Smt.Urmila Dhanuka	28665	0.06
15	Smt.Madhuri Dhanuka	28407	0.06
16	Mr.Satya Narain Agarwal	22500	0.05
17	Smt.Seema Dhanuka	13215	0.03
18	Mr.Arjun Dhanuka	8799	0.02
19	Smt.Mamta Dhanuka	8522	0.02
20	Mridul Dhanuka HUF	52	0
21	Ram Gopal Agarwal HUF	52	0
22	Smt.Pushpa Dhanuka	19	0
23	Arun Kumar Dhanuka HUF	11	0
24	Gobind Lal Dhanuka HUF	10	0
25	M/s. Hindon Mercantile Limited	Nil	Nil
26	M/s. Golden Overseas Private Limited*	26	0
27	M/s. Exclusive Leasing and Finance Limited	Nil	Nil
28	Triveni Trust	29035413	61.03
29	Pushpa Dhanuka Trust	5184379	10.90

* Mr. Mahendra Kumar Dhanuka, Mr. Rahul Dhanuka and Smt. Megha Dhanuka are Directors in M/s Golden Overseas Private Limited.

10) Aggregate number of Equity Shares purchased or sold as well as minimum and maximum price at which such purchases and sales were made along with relevant dates by Promoters and members of Promoters Group and of the Directors of the Promoters, where the Promoter is a Company, Director, key managerial personnel and of persons who are in control of the Company for a period of six months preceding the date of the Board Meeting at which the Buyback was approved and till the date of this notice.

No Equity Shares of the Company have been purchase/sold by Promoters/any members of the Promoters Group, Directors of the Promoters, where the Promoter is a Company, Directors and Key Managerial Personnel of the Company during the period



from Six months preceding the date of the Board Meeting at which the Buyback was approved.

11) Intention of the Promoters and Members of Promoters Group of the Company to tender Equity Shares for Buyback indicating the number of Equity Shares, details of build-up with dates and price

The Promoters and members of Promoters Group of the Company except Mr. Abhishek Dhanuka vide their letter dated July 22, 2020, have expressed their intention to tender their Equity Shares in the Buyback. The said Promoters and members of Promoters Group intend to offer at least such number of Equity Shares which is equal to their respective pro rata entitlement under the Buyback. In addition, they may offer additional Equity Shares in the Buyback.

The Promoter and members of the Promoter Group (who have shown their intent to participate in proposed Buyback) have also undertaken that if, as a result of Buyback, the public

shareholding of the Company falls below 25% of the total paid-up Equity Share capital of the Company, the Promoter and members of the Promoter Group will reduce their shareholding such that minimum public shareholding of the Company remains at or above 25%, in the manner prescribed to comply with Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, second proviso to the Regulation 10 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Rule 19A of the Securities Contracts (Regulations) Rules 1957 and SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 prescribing the methods to achieve the minimum public shareholding in the Company.

Furtherance to the above intention of the Promoters and members of Promoter Group, the maximum number of Equity Shares that the Promoters and members of Promoter Group may tender are given in the table below:

S. No.	Name of the Shareholders	No. of Equity Shares held and maximum number of Equity Shares intended to be tendered
1	Mr.Ram Gopal Agarwal	349148
2	Mr.Manish Dhanuka	275821
3	Mr.Rahul Dhanuka	212958
4	Mahendra Kumar Dhanuka HUF	180410
5	Satya Narain Agarwal HUF	41000
6	Mr.Arun Kumar Dhanuka	37906
7	Smt.Akangsha Dhanuka	29629
8	Mr.Harsh Dhanuka	28665
9	Mr.Mahendra Kumar Dhanuka	28665
10	Smt.Megha Dhanuka	28665
11	Mr.Mridul Dhanuka	28665
12	Smt.Uma Dhanuka	28665
13	Smt.Urmila Dhanuka	28665
14	Smt.Madhuri Dhanuka	28407
15	Mr.Satya Narain Agarwal	22500
16	Smt.Seema Dhanuka	13215
17	Mr.Arjun Dhanuka	8799
18	Smt.Mamta Dhanuka	8522
19	Mridul Dhanuka HUF	52
20	Ram Gopal Agarwal HUF	52
21	Smt.Pushpa Dhanuka	19
22	Arun Kumar Dhanuka HUF	11
23	Gobind Lal Dhanuka HUF	10
24	M/s. Golden Overseas Private Limited	26
25	Triveni Trust	29035413
26	Pushpa Dhanuka Trust	5184379



Details of build-up of the Equity Shares that the Promoters and members of Promoter Group intend to tender under Buyback are set-out below:

S. No.	Name of the Shareholders	Date of transaction	Type of transaction	No of Equity Shares	Amount of consideration (Rs.)
1	Mr. Ram Gopal Agarwal	23.05.2007	Scheme of Arrangement*	194000	388000
		02.12.2015	Scheme of Arrangement#	185753	60000
		22.03.2017	Buyback	(18334)	15583990
2	Mr. Manish Dhanuka	15.02.2019	Buyback	(12271)	6749050
		25.05.2007	Scheme of arrangement*	285900	448800
		02.12.2015	Scheme of arrangement#	44212	1074980
		22.03.2017	Buyback	(15937)	13546450
		20.06.2017	Post Buyback offer for sale	(9800)	8132513
		15.02.2019	Buyback	(9146)	5030300
		23.04.2019	Post Buyback Offer for sale	(535)	205975
		24.04.2019	Post Buyback Offer for sale	(601)	232587
		30.04.2019	Post Buyback Offer for sale	(1038)	389250
3	Mr. Rahul Dhanuka	03.05.2019	Post Buyback Offer for sale	(17234)	6471367
		23.05.2007	Scheme of arrangement*	350535	701070
		02.12.2015	Scheme of arrangement#	30959	10000
		22.03.2017	Buyback	(18419)	15656150
		20.06.2017	Post Buyback Offer for sale	(30292)	25203549
		21.06.2017	Post Buyback Offer for sale	(4455)	3816554
		15.02.2019	Buyback	(11370)	6253500
		23.04.2019	Post Buyback Offer for sale	(1000)	385053
		24.04.2019	Post Buyback Offer for sale	(2961)	1136714
4	Mr. Arun Kumar Dhanuka	02.05.2019	Post Buyback Offer for sale	(50000)	18835000
		03.05.2019	Post Buyback Offer for sale	(50039)	18789645
		02.12.2015	Scheme of arrangement#	39607	1066650
		22.03.2017	Buyback	(643)	546550
		15.02.2019	Buyback	(1058)	581900
5	Mrs. Akangsha Dhanuka	02.12.2015	Scheme of arrangement#	30959	10000
		22.03.2017	Buyback	(503)	427550
		15.02.2019	Buyback	(827)	454850
6	Mr. Harsh Dhanuka	02.12.2015	Scheme of arrangement#	30959	10000
		22.03.2017	Buyback	(1494)	1269900
		15.02.2019	Buyback	(800)	440000
7	Mr. Mahendra Kumar Dhanuka	02.12.2015	Scheme of arrangement#	30959	10000
		22.03.2017	Buyback	(1494)	1269900
		15.02.2019	Buyback	(800)	440000
8	Mrs. Megha Dhanuka	02.12.2015	Scheme of arrangement#	30959	10000
		22.03.2017	Buyback	(1494)	1269900
		15.02.2019	Buyback	(800)	440000
9	Mr. Mridul Dhanuka	02.12.2015	Scheme of arrangement#	30959	10000
		22.03.2017	Buyback	(1494)	1269900
		15.02.2019	Buyback	(800)	440000
10	Mrs. Uma Dhanuka	02.12.2015	Scheme of arrangement#	30959	10000
		22.03.2017	Buyback	(1494)	1269900
		15.02.2019	Buyback	(800)	440000
11	Mrs. Urmila Dhanuka	02.12.2015	Scheme of arrangement #	30959	10000
		22.03.2017	Buyback	(1494)	1269900
		15.02.2019	Buyback	(800)	440000
12	Mrs. Madhuri Dhanuka	02.12.2015	Scheme of arrangement#	30680	9910
		22.03.2017	Buyback	(1480)	1258000
		15.02.2019	Buyback	(793)	436150

S. No.	Name of the Shareholders	Date of transaction	Type of transaction	No of Equity Shares	Amount of consideration (Rs.)
13	Mr. Satya Narain Agarwal	02.03.1986	Public Issue	250	2500
		23.07.1986	Public Issue	2000	22500
		18.05.1993	Right Issue	2250	22500
		04.09.2010	The Company Split its Each Equity Share having face value of Rs. 10 each into 5 Equity Shares of Face Value Rs. 2/- on 4th September, 2010. Therefore my holding has become $4500 \times 5 = 22,500$ Equity Shares of face value of Rs. 2 each		
14	Mrs. Seema Dhanuka	02.12.2015	Scheme of arrangement#	13808	24980
		22.03.2017	Buyback	(224)	190400
		15.02.2019	Buyback	(369)	202950
15	Mr. Arjun Dhanuka	02.12.2015	Scheme of arrangement#	9209	16660
		22.03.2017	Buyback	(165)	140250
		15.02.2019	Buyback	(245)	134750
16	Mrs. Mamta Dhanuka	02.12.2015	Scheme of arrangement#	9204	20
		22.03.2017	Buyback	(444)	377400
		15.02.2019	Buyback	(238)	130900
17	Mrs. Pushpa Dhanuka	02.12.2015	Scheme of arrangement#	22	20
		22.03.2017	Buyback	(3)	2550
		15.02.2019	Buyback	Nil	-
18	M/s. Golden Overseas Private Limited	02.12.2015	Scheme of arrangement#	31	10
		22.03.2017	Buyback	(5)	4250
		15.02.2019	Buyback	Nil	-
19	Mahendra Kumar Dhanuka HUF	23.05.2007	Scheme of arrangement*	40000	80000
		02.12.2015	Scheme of arrangement#	154856	20
		22.03.2017	Buyback	(9407)	7995950
		15.02.2019	Buyback	(5039)	2771450
20	Mr. Satya Narain Agarwal HUF	02.03.1986	Public Issue	2100	21000
		23.07.1986	Public Issue	2000	20000
		18.05.1993	Right Issue	4100	41000
		04.09.2010	The Company Split its Each Equity Share having face value of Rs. 10 each into 5 Equity Shares of Face Value Rs. 2/- on 4th September, 2010. Therefore my holding has become $8200 \times 5 = 41,000$ Equity Shares of face value of Rs. 2 each.		
21	Mridul Dhanuka HUF	02.12.2015	Scheme of arrangement#	62	20
		22.03.2017	Buyback	(10)	8500
		15.02.2019	Buyback	Nil	-
22	Ram Gopal Agarwal HUF	02.12.2015	Scheme of arrangement#	62	20
		22.03.2017	Buyback	(10)	8500
		15.02.2019	Buyback	Nil	-
23	Arun Kumar Dhanuka HUF	02.12.2015	Scheme of arrangement#	11	20
		22.03.2017	Buyback	Nil	-
		15.02.2019	Buyback	Nil	-
24	Gobind Lal Dhanuka HUF	02.12.2015	Scheme of arrangement#	11	20
		22.03.2017	Buyback	(1)	850
		15.02.2019	Buyback	Nil	-
25	Pushpa Dhanuka Trust	23.05.2007	Scheme of Arrangement*	285900	448800
		02.12.2015	Scheme of arrangement#	5417266	9800000
		22.03.2017	Buyback	(88072)	74861200
		15.02.2019	Buyback	(144815)	79648250
26	Triveni Trust	02.12.2015	Scheme of arrangement#	30339712	9800000
		22.03.2017	Buyback	(493254)	419265900
		15.02.2019	Buyback	(811045)	446074750

*Pursuant to Scheme of Amalgamation of M/s. Northern Minerals Limited with the Company.

#Pursuant to Comprehensive Scheme of Amalgamation of M/s. A.M. Bros. Fintrade Pvt. Ltd. and M/s. Dhanuka Finvest Pvt. Ltd. with the Company.



12) The Company hereby confirms that there are no defaults (either in the past or subsisting) subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking Company.

13) Confirmation from the Board

The Board confirms that it has made a full enquiry into the affairs and prospects of the Company and after taking into account the financial position of the Company and also considering all contingent liabilities and has formed an opinion that:

- i. That immediately following the date of the Board Meeting held on July 22, 2020 approving the Buyback and the date on which the results of the Shareholders' Resolution in the ensuing Annual General Meeting of the Company with regard to the Buyback are declared ("**Special Resolution**"), there will be no grounds on which the Company can be found unable to pay its debts;
- ii. That as regards the Company's prospects for the year immediately following the date of the Board Meeting held on July 22, 2020 approving the Buyback and the date on which the results of the Shareholders' Resolution in the Annual General Meeting of the Company with regard to the Buyback are declared, and having regard to Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from date of the Board Meeting approving the Buyback and the date of the Special Resolution ;
- iii. In forming the opinion aforesaid, the Board has taken into account the liabilities as if the Company is being wound up under the provisions of the Companies Act, 1956 or Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016 (including prospective and contingent liabilities).

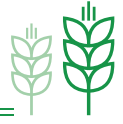
14) Confirmation from the Company as per the provisions of the Buyback Regulations and the Act:

The Board confirms that:

- (i) All Equity Shares of the Company are Fully Paid-Up;
- (ii) The Company shall not issue any Equity Shares or other securities from the date of this Resolution including by way of Bonus Issue till the expiry of the Buyback period i.e. date on which the payment of consideration to Shareholders

who have accepted the Buyback is made in accordance with the Act and the Buyback Regulations;

- (iii) As per Regulation 24(i)(f) of the Buyback Regulations read with SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2020/69 dated April 23, 2020, the Company shall not raise further capital for a period of six months from the expiry of the Buyback period i.e. the date on which the payment of consideration to Shareholders who have accepted the Buyback offer is made except in discharge of subsisting obligations;
- (iv) The Company shall not Buyback its Equity Shares or other specified securities from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- (v) The Maximum Buyback Offer Size i.e. Rs. 100,00,00,000/- (Rupees One Hundred Crores only) does not exceed 25% of the aggregate of the Paid-Up Capital and Free Reserves as per the latest available Standalone and Consolidated Audited Financial Statements of the Company as on March 31, 2020;
- (vi) The maximum number of Equity Shares proposed to be bought back under the Buyback will not exceed 25% of the total number of Equity shares in the total Paid-Up Equity Share Capital of the Company;
- (vii) There are no pending schemes of amalgamation or compromise or arrangement pursuant to the Act ("**Scheme**") involving the Company, and no public announcement of the Buyback shall be made during pendency of any such Scheme;
- (viii) The Company shall not make any further offer of Buyback within a period of one year reckoned from the expiry of the Buyback period i.e. date on which the payment of consideration to shareholders who have accepted the Buyback offer is made;
- (ix) The Company shall not withdraw the Buyback offer after The draft letter of offer is filed with the SEBI or the public announcement of the offer of the Buyback is made
- (x) The Company shall comply with the statutory and regulatory timelines in respect of the Buyback in such manner as prescribed under the Act and/or the Buyback Regulations and any other applicable laws;
- (xi) The Company shall not utilize any money borrowed from banks or financial institutions for the purpose of Buyback of its shares;
- (xii) The Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Act;
- (xiii) The Company will not Buyback Equity Shares which are



- locked-in or non-transferable, until the pendency of such lock-in, or until the time the Equity Shares become transferable, as applicable;
- (xiv) The ratio of the aggregate of Secured and Unsecured debts owed by the Company after the Buyback shall not be more than twice its Paid-Up Equity Share Capital and Free Reserves, based on both, Audited Standalone and Consolidated Financials of the Company;
- (xv) The Company shall transfer from its Free Reserves or Securities Premium account and/ or such sources as may be permitted by law, a sum equal to the nominal value of the Equity Shares purchased through the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent Audited Financial Statements;
- (xvi) The Special Resolution approving the Buyback will be valid for a maximum period of one year from the date of passing the Shareholders Resolution (or such extended period as may be permitted under the Act or the Buyback Regulations or by the Appropriate Authorities). The exact time table for the Buyback shall be decided by the Buyback Committee within the above time limits;
- (xvii) The Equity Shares bought back by the Company will be compulsorily extinguished and will not be held for reissuance;
- (xviii) The Company shall not directly or indirectly purchase its own shares or other specified securities:
- through any subsidiary Company including its own subsidiary companies; and
 - through any investment Company or group of investment companies;
- (xix) The Equity Shares bought back by the Company will be extinguished and physically destroyed in the manner prescribed under the Buyback Regulations and the Act within 7 (seven) days of the last date of completion of the Buyback;
- (xx) As per Regulation 24(i)(e) of the Buyback Regulations, the Promoter and Members of Promoter Group, and/or their Associates, shall not deal in the Equity Shares or other specified securities of the Company either through the Stock Exchanges or off-market transactions (including inter-se transfer of Equity Shares among the Promoter and members of Promoter group) from the date of passing the Special Resolution in ensuing Annual General Meeting till the closure of the Buyback, other than participation in the Buyback;
- (xxi) The statements contained in all the relevant documents in relation to the Buyback shall be true, material and

factual and shall not contain any mis-statements or misleading information;

- (xxii) Post Buyback, if Promoters and Members of Promoter Group shareholding is anticipated to exceed the threshold resulting in fall in minimum public shareholding requirements as specified in Regulation 38 of the SEBI Listing Regulations, then the Promoters and Members of Promoter Group shall ensure the compliance with the requirement of minimum public shareholding requirements of the Company after the Buyback;
- (xxiii) The Company shall Buyback the Equity Shares held in physical form from Eligible Shareholders in terms of SEBI "FAQs - Tendering of physical shares in buy-back offer/ open offer/ exit offer/delisting" dated February 20, 2020.

15) Report addressed to the Board by the Statutory Auditors of the Company on permissible capital payment and opinion formed by Directors regarding insolvency

The text of the Report dated July 22, 2020 received from M/s S.S. Kothari Mehta & Co., Chartered Accountants, Statutory Auditors of the Company, addressed to the Board is attached at the end of this Explanatory Statement as **Annexure 1**.

None of the Directors, or any Key Managerial Personnel of the Company or their relatives is, in anyway, concerned or interested, either directly or indirectly in passing of the said Resolution, save and except to the extent of their respective interest as shareholders of the Company.

In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its members holding Equity Shares of the Company, The Director, therefore recommend passing of the Special Resolution as set out at Item No. 11 in this Notice.



Independent Auditor's Report on Buyback of shares pursuant to the requirement of Schedule I of Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended

**The Board of Directors
Dhanuka Agritech Limited
82, Abhinash Mansion Joshi Road,
Karol Bagh,**

New Delhi - 110 005

1. This Report is issued in accordance with the terms of our service scope letter dated July 19, 2020 with Dhanuka Agritech Limited (hereinafter the "**Company**").
2. The Board of Directors of the Company have approved a proposal to Buyback its equity shares at its meeting held on July 22, 2020, which is subject to approval of shareholders of the Company, in pursuance of the provisions of Section 68 and 70 of the Companies Act, 2013 (the "**Act**") and Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "**Buyback Regulations**"). We have been engaged by the Company to perform a reasonable assurance engagement on the Statement of permissible capital payment towards buyback of equity shares (the "**Statement**"), which we have signed for identification purposes only.

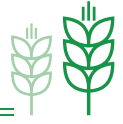
Board of Directors Responsibility for the Statement

3. The preparation of the Statement is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Board of Directors are responsible to make a full inquiry into the affairs of the Company and public announcement, letter of offer, post offer public advertisement, addendum and corrigendum, if any issued to shareholders of the Company ("**Offer Document**") and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of meeting of the Board of Directors approving the Buyback i.e. July 22, 2020 (hereinafter referred as the "**Date of the Board Meeting**") and the date on which the results of the shareholders' resolution in the ensuing annual general meeting with regard to the proposed Buyback are declared and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code, 2016.

Auditor's Responsibility

5. Pursuant to the requirements of the Buyback Regulations, it is our responsibility to provide reasonable assurance on the following "**Reporting Criteria**":
 - (i) Whether we have inquired into the state of affairs of the Company;
 - (ii) Whether the amount of capital payment for the buyback is within the permissible limit and computed in accordance with the provisions of Section 68 of the Act and Regulation 4(i) of the Buyback Regulations;

- (iii) Whether the Board of Directors has formed the opinion, as specified in Clause (x) of Schedule I to the Buyback Regulations, on a reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the Date of Board Meeting approving the Buyback and the date on which the results of the shareholders' resolution in the ensuing annual general meeting with regard to the proposed Buyback are declared;
 - (iv) Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
6. We have also been informed that proposed Buyback of shares is through the tender offer and is subject to the approval of shareholders of the Company by special resolution at the ensuing annual general meeting.
 7. The standalone and consolidated financial statements (hereinafter referred as "**Financial Statements**") as at and for the year ended March 31, 2020 have been audited by us, on which we issued an unmodified audit opinion vide our report dated June 10, 2020. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
 8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
 9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
 10. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mention in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
 - i) We have inquired into the state of affairs of the Company;
 - ii) Examined authorization for buyback from the Articles of Association of the Company;
 - iii) Examined that the amount of capital payment for the buyback as detailed in Annexure A is within permissible limit computed in accordance with section 68 of the Act and Regulation 4(i) of the Buyback Regulations;



- iv) Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after such buyback;
- v) Examined that all shares for buyback are fully paid-up;
- vi) Examined resolutions passed in the meetings of the Board of Directors;
- vii) Examined Director's declarations for the purpose of Buyback and solvency of the Company;
- viii) Obtained necessary representations from the management of the Company.

Opinion

11. Based on our examination as above, and the information and explanations given to us, we state that we have inquired in to the state of affairs of the Company and in our opinion,
 - (i) the Statement of permissible capital payment towards buyback of equity shares, as stated in Annexure A, is in our view properly determined in accordance with section 68 of the Act and Regulation 4(i) of the Buyback Regulations; and
 - (ii) the Board of Directors, in their meeting held on July 22, 2020, have formed the opinion, as specified in clause (x) of Schedule I of the Buyback Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the Date of the Board Meeting approving the Buyback and the date on which the results of the shareholders' resolution in the ensuing annual general meeting with regard to the proposed Buyback are declared and we are not aware of anything to indicate that

the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the said declaration is unreasonable in circumstances as at the date of the declaration.

Restriction on Use

12. The certificate is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buyback Regulations solely to enable them to include it, (a) in the explanatory statement to be included to the notice for special resolution, the public announcement, draft letter of offer and letter of offer to be sent to the shareholders of the Company, (b) to be filed with the Securities and Exchange Board of India, the BSE Limited, National Stock Exchange of India Limited, the Registrar of Companies, Delhi as required by the Buyback Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited, and (c) to be provided to the Emkay Global Financial Services Limited ("**Manager to Buyback**") and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.S. Kothari Mehta & Company**

Chartered Accountants

Firm Registration No. 000756N

Sd/-

Yogesh K. Gupta

Partner

Membership Number: 093214

Unique Document Identification Number: 20093214AAACA1348

Place : Faridabad

Date: 22 July, 2020



Annexure A

Statement of permissible capital payment towards Buyback of equity shares in accordance with section 68 of the Act and the Buyback Regulations based on the audited standalone and consolidated financial statements as at and for the year ended March 31, 2020 prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder

(₹ In Lacs)

Particulars as on March 31, 2020		Amount as per standalone financial statements	Amount as per consolidated financial statements
Paid up equity share capital	A	951.57	951.57
<u>Free reserves*</u>			
Retained earnings	B	69,673.90	69,662.25
Less : Adjustments as per definition of free reserves as per section 2(43) of the Act			
Fair value gain on investments classified at Fair value through Profit and Loss	(i)	728.67	728.67
Tax Impact of above adjustment	(ii)	(183.39)	(183.39)
Total adjustments	C = (i + ii)	545.28	545.28
Total free reserves*	D = (B - C)	69,128.62	69,116.97
Total paid up capital and free reserves	E = (A+D)	70,080.19	70,068.54
Permissible capital payment in accordance with section 68(2)(b) of the Act (25% of the total paid-up Equity Share capital and free reserves)	25% of E	17,520.05	17,517.14
Maximum amount permitted by Board resolution dated July 22, 2020 approving Buyback, based on the Financial Statements for the year ended March 31, 2020		10,000.00	10,000.00
Maximum Buyback size as a percentage of total paid-up Equity Share capital and free reserves		14.27%	14.27%

* Free reserves as defined in Section 2(43) of the Act read along with Explanation II provided in Section 68 of the Act, as amended.

For S.S. Kothari Mehta & Company

Chartered Accountants
Firm Registration No. 000756N

Sd/-

Yogesh K. Gupta

Partner

Membership Number: 093214

Unique Document Identification Number: 20093214AAACA1348

Place : Faridabad

Date: 22 July, 2020

Annexure to 35th Annual General Meeting Notice dated 22nd July, 2020

Details of the Directors Retiring by Rotation/ Seeking Appointment/ Re-Appointment at the 35th Annual General Meeting of M/s. Dhanuka Agritech Limited.

Particulars	Mr. Ram Gopal Agarwal	Mr. Mridul Dhanuka	Mr. Siraj Azmat Chaudhry	Mr. Sachin Kumar Bhartiya
Age	71 years	39 years	53 years	42 years
Qualification	He holds a Bachelor's Degree in Commerce from Delhi University in 1968.	He holds a B. Tech Degree in Chemical Engineering & done M.B.A. from NITIE, Mumbai.	He holds a Bachelor's Degree in Commerce from Sri Ram College of Commerce (SRCC), Delhi University and also hold and MBA degree from Indian Institute of Foreign Trade (IIFT).	He is a Fellow Chartered Accountant. He also holds a Degree in Bachelor of Commerce from University of Calcutta.
Experience (Including expertise in specific functional area)/ Brief Resume	<p>He has a distinguished corporate career of 52 years. He is a decisive and action oriented visionary who took over a sick pesticide Company named Northern Mineral Pvt. Ltd. in 1980 to transform it into 1100 Crores. Organization called Dhanuka Agritech Ltd. His deep commitment and inspiring leadership in initial turbulent days is an example worth inculcating. His passion to contribute to Indian Agriculture is commendable. His ability to prioritize and deal effectively with a number of tasks simultaneously reinforced with the skills to make effective decisions, has metamorphosed the business venture into one of the fastest growing agrochemical Company in India which is rated thrice as 'Best under a Billion Company' by Forbes magazine. His rich and invaluable experience of over last Five decades in Agrochemical Industry has contributed immensely in the growth of the Company and added much needed expertise to the Board. He mentors and gives strategic direction to the team. In order to achieve his aspiration of "Transforming India through Agriculture" he has dedicated himself to bring changes in Agrochemicals Industry and the farming community. His contribution for adopting newer farming techniques at the grass root level, judicious use of agro chemicals in farming and imparting knowledge through his nationwide network of distributors and Dhanuka Doctors in field has resulted in the overall prosperity of farmers. Shri RG Agarwal has been the past Chairman of CCFI, (Crop Care Federation of India) the apex Chamber of all Indian Agrochemical majors.</p> <p>He is also Chairman in Advisory Committee of AGRO Chemicals</p>	<p>He has a distinguished corporate career of 15 years. He is associated with Dhanuka since 2005. His technical expertise has supported to enlarge the product base of Dhanuka. He helped the Company in smoothening the production, procurement and logistic functions and established quality control. His new initiatives include improving the efficiency and functioning of the Company and thus improving the profitability. As Director Operations he was instrumental in driving various initiatives with the support of senior leadership teams to achieve the set milestones of the organization. Under his exuberant personality and ambitious leadership the Company was able to expand its production facilities, setting up a state of art world class manufacturing facility at Keshwana. He was responsible to successfully realigning the entire supply chain vertical from procurement to sales. He has successfully improved the efficiency and productivity of all the manufacturing facilities of Dhanuka thereby making a positive contribution in the profitability of the Company. Continuing the legacy, presently he is leading major projects of the organization bringing Dhanuka closer to its aspiration of "Transforming India through Agriculture".</p>	<p>He has over 32 years of experience in building, turning around, acquiring, and divesting businesses.</p> <p>He is an industry expert, thought leader and innovator in the agriculture and food industry. He is a key voice on issue concerning agriculture, food safety and nutrition and has worked extensively with industry, the social sector and the Government on related projects.</p> <p>Presently he is Managing Director & CEO of National Collateral Management Services Limited and also serves as an Independent Directors on the Boards of Tata Consumer Products Limited and Tata Coffee Limited. Before this he was the Chairman of Cargill India, the Indian arm of Cargill Inc, where he pioneered edible oil fortification as a practice, recognised by Fortune Magazine as a Change The World activity.</p> <p>He is the currently the Co Chairman – FICCI Committee on Agriculture. He has also been the Past Chairman of the National Committee on Food Processing at FICCI and National Committee on Food Processing at FICCI and the National Alliance for Edible Oil Fortification, a joint initiative by CII and GAIN to address malnutrition through food fortification.</p> <p>He has also been past President of the Food Industry Skill Council under the NSDC. He has chaired the Agriculture and Food Committee at American Chambers of Commerce and as also the Agriculture and Food Committee of USIBC in India.</p>	<p>He is having more than 18 years of experience in capital market advising and investing in mid-market corporates. He is Partner at Lighthouse Funds, an India dedicated mid-market focused private equity fund. At Lighthouse, he leads agri and consumer verticals. He was also involved in fund's investments in Shaily Engineering (plastic product Company), Unibic Biscuits (premium cookies Company) and Suraksha Diagnostics (eastern India focused diagnostics chain) and held board positions there as well. His multi-dimensional knowledge of finance, accounts, investment & capital market has been tremendously helpful in Dhanuka's Financial Management and Growth.</p>



dhanuka

Particulars	Mr. Ram Gopal Agarwal	Mr. Mridul Dhanuka	Mr. Siraj Azmat Chaudhry	Mr. Sachin Kumar Bhartiya
	Federation of India. Shri RG Agarwal, Group Chairman, has been bestowed with many Awards for his tremendous contribution in Agro Industry like " Life Time Achievement Award " by Agri Business Summit & Agri Awards 2019, " Distinguished Contribution to Indian Agrochemicals Industry " during India Chem 2016 International Conference organised by FICCI etc. He is also associated with some of the highly recognized establishments of the country as Chairman, Sub-Committee (Crop Protection Chemicals) of Federation of Indian Chambers of Commerce and Industry (FICCI), Chairman Advisory Committee Crop Life India & Member of Agro Chemical Federation of India.		He is an eminent industry spokesperson and is a sought after key note speaker at prestigious events organized by FICCI, CII, IIM and other entities.	
Terms and Conditions of appointment/ Re-appointment	As per the resolution passed by Shareholders in Annual General Meeting held on 10 th August, 2017.	As per the resolution passed by Shareholders in Annual General Meeting held on 11 th August, 2016.	On the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on 22 nd July, 2020 has appointed Mr. Siraj Azmat Chaudhry as Additional Director under the category of Independent Director for a term of 5 (Five) consecutive years effective from 22 nd July, 2020, subject to approval of the Shareholders at the ensuing Annual General Meeting going to be held on 15 th September, 2020.	As per the resolutions passed by the shareholders in Annual General Meeting held on 11 th August, 2016
Remuneration last drawn (including sitting fees, if any)	Rs. 417.23 Lacs	Rs. 261.53 Lacs	Not Applicable	Not Applicable
Remuneration proposed to be paid	As per existing terms and conditions.	Only Commission to be paid at maximum of 1% of the total Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013, as mutually decided by the Board and Mr. Mridul Dhanuka of the Company.	Not Applicable	Not Applicable
Date of First Appointment on the Board	10.03.1992	23.05.2011	22.07.2020	09.02.2016
Shareholding in the Company as on 31st March, 2020	3,49,148	28,665	Nil	Nil

Particulars	Mr. Ram Gopal Agarwal	Mr. Mridul Dhanuka	Mr. Siraj Azmat Chaudhry	Mr. Sachin Kumar Bhartiya
Relationship with other Directors/ Key managerial Personnel	Father of Mr. Rahul Dhanuka, Whole time Director, Brother of Mr. Mahendra Kumar Dhanuka, Managing Director and Cousin of Mr. Arun Kumar Dhanuka, Whole time Director of the Company.	Son of Mr. Mahendra Kumar Dhanuka, Managing Director and Brother of Mr. Harsh Dhanuka, Whole-time Director of the Company.	None of the Director and Key Managerial Personnel is related to Mr. Siraj Azmat Chaudhry.	None of the Director and Key Managerial Personnel is related to Mr. Sachin Kumar Bhartiya.
Number of Meetings of Board attended during the year	4	3	Not Applicable	2
Directorship of other Boards as on 31st March, 2020	<ul style="list-style-type: none"> M/s H D Realtors Private Limited M/s. Orchid Pharma Limited 	<ul style="list-style-type: none"> M/s. Dhanuka Laboratories Limited M/s. M D Buildtech Private Limited M/s. Dhanuka Infotech Private Limited Dhanuka Agri-Solution Private Limited- incorporated at Bangladesh M/s. Orchid Pharma Limited 	<ul style="list-style-type: none"> M/s. National Collateral Management Services Limited M/s. TATA Coffee Limited M/s. TATA Consumer Products Limited M/s. NCML Mktyard Private Limited M/s. NCML Finance Private Limited M/s. NCML Agribusiness Consultants Private Limited M/s. Arboreal Bio Innovations Private Limited 	<ul style="list-style-type: none"> M/s. Bikaji Foods International Limited M/s. LightHouse Advisors (India) Private Limited M/s. Bombay Central Holdings and Trading Co. Private Limited M/s. Indian Herbs Specialties Private Limited M/s. Stylam Industries Limited M/s. ploutus Advisors India Private Limited
Membership/ Chairmanship of Committees of the Boards as on 31st March, 2020	Dhanuka Agritech Limited Corporate Social Responsibility Committee- Chairman	Orchid Pharma Limited Audit Committee - Member	Nil	Dhanuka Agritech Limited Audit Committee- Member Nomination and Remuneration Committee- Member

ECS Mandate Form

Dear Shareholder,

You are hereby requested to update the particulars of your Bank Account, to enable us to electronically transfer Dividend, if any, directly into your Bank Account. In terms of SEBI Circular No. SEBI/HO/MIRSD/DOPI/CIR/P/2018/73 dated 20th April, 2018, you are requested to get your Bank Account details updated at the earliest so as to enable the Company to transfer all your Unpaid Dividend and all future Dividends directly into your Account. It will ensure speedy payment of Dividend directly into your Bank Account. Further, an intimation of credit of Dividend amount into your Bank Account will be provided by us. You are requested to submit the following.

1. For Shares held in electronic form: Submit duly filled and signed ECS Mandate form along with a photocopy of cancelled cheque of the Bank Account, in which you want Dividend to be transferred; to your Depository Participant (where you hold your Demat Account).

2. For Shares held in physical form: Submit duly filled and signed ECS Mandate form along with a photocopy of cancelled cheque of the Bank Account, in which you want Dividend to be transferred and a self-attested copy of PAN to the Company's Registrar and Transfer Agent (RTA), M/s Abhipra Capital Limited.

If Shares held in PHYSICAL mode: Please fill and sign this form and send it to the Registrar (RTA) of the Company

**Unit: Dhanuka Agritech Limited
Abhipra Capital Limited
Abhipra Complex,
A-387, Dilkush Industrial Area,
G.T. Karnal Road, Azadpur,
Delhi – 110 033**

If Shares held in PHYSICAL mode: Please fill and sign this form and send it to the Registrar (RTA) of the Company

If Shares held in ELECTRONIC mode: Please fill and sign this form and send it to your Depository Participant (DP)

Dear Sir/Madam,

Change in Mode of Payment to ECS

I hereby consent to have the amount of Dividend on my Equity Share(s) credited through the Electronic Clearing Service [ECS] facility. The particulars are:

1. Folio No. / DPID-Client ID No.:
(Folio No. given in Equity Share Certificate(s)/ Client ID No. given by your DPs)
2. Shareholder's Name: Mr./ Ms./ M/s.:
3. Shareholder's Address:
4. Particulars of the Bank:
 - Bank & Branch Name and Address:
 - Telephone Number of Bank:
 - The nine-digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank:
 - IFSC Code:
 - (Please attach a photocopy of a cheque or a cancelled bank cheque issued by your Bank for verification) Account Type (please ✓) Savings Current Cash Credit
 - Account Number (as appearing on the cheque book):
5. Date from which the Mandate should be effective:

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information being furnished by me, I would not hold the Company/Registrar & Transfer Agent of the Company responsible. I also undertake to inform the DP/Company/Registrar & Transfer Agent in writing, of any further change in the particulars of my Bank Account to facilitate updation of records for the purpose of credit of the Dividend amount through ECS.

Signature of the first/sole Shareholder
Encl: Cancelled Cheque and PAN (Self Attested)



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Registered Office

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Phone Nos.: (011) 23534551/57
E-mail: headoffice@dhanuka.com
CIN: L24219DL1985PLC020126

Corporate Office

14th Floor, Building 5A, DLF Epitome, Cyber City,
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Phone Nos.: (0124) 3838500
E-mail: investors@dhanuka.com

Works

D-1/A-B, Ajanta Industrial Estate, Near Sarika
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Ph. Nos.: (02717) 284567/68,
Fax Nos.: (02717) 284567
E-mail: sanand@dhanuka.com

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SICOP Industrial Estate,
Battal Ballian, Udhampur (J&K)
Ph. Nos.: (01992) 250156/57
Fax No.: (01992) 250156
E-mail: udhampur@dhanuka.com

Plot No.SP 4-8, RIICO Industrial Area,
Keshwana Rajput - 303108 Kotputli,
Dist-Jaipur (Rajasthan), India
Phone : +91-7230999980
E-mail : keshwana@dhanuka.com

Sales Offices/Godowns

Ahmedabad, Akola, Anantapur, Bargarh, Bengaluru, Bellary, Cuttack, Delhi, Ghaziabad, Gulbarga, Guwahati, Guntur, Hissar, Hubli, Hyderabad, Indore, Jaipur, Jabalpur, Kanchipuram, Karnal, Kichha, Kolkata, Lucknow, Ludhiana, Madurai, Nandyal, Nellore, Patna, Pune, Raipur, Ranchi, Ravulapalem, Salem, Siliguri, Sindhanur, Sohna, Sopore, Trichy, Vijawada and Warangal

DISCLAIMER

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

www.dhanuka.com