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

Ref : PCCPL/
Date: 18th July, 2019

Through E-Filing

The Manager
Department of Corporate Services
BSE Limited
1st Floor, New trading wing, P.J Towers
Dalal Street Fort
MUMBAI-400 001

Scrip Code: 506618
Tel No.: 022-22728073

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

Sub: Submission of Annual report under Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Dear Sir

Pursuant to Regulation 34 (1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find attached Annual Report of the Company for the year 2018-19.

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

Thanking you.
Yours faithfully,

for PUNJAB CHEMICALS AND
CROP PROTECTION LIMITED,

(CS PUNIT K. ABROL)
SR.V.P. (FINANCE) & SECRETARY
Encl: a/a

43rd Annual Report & Accounts 2018-19

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

उद्यमेन हि सिध्यन्ति
कार्याणि न मनोरथैः

20.07.1932 - 18.12.1997

S D SHROFF

(Known to all as 'Sasubhai')

He dared.
He cared.
He shared.

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

Chairman 's Message

Dear Shareholders,

Greetings!!

I am extremely happy to communicate with you through 43rd Annual Report to share current operational working and future prospects of the Company.

The country has witnessed steady growth for the last few years and is expecting GDP of 7.1% in the fiscal year 2020 on the back of strong domestic consumption and investment as per UN Report. The said report also states that India's exports remain more robust, as half of the exports are destined for faster growing Asian market. It is because the focus of the Government remained on implementing policies of reforms for the development of the industry and boosting of exports in all sectors. The policy to treat exports as an engine of growth remained essential component for the growth of the domestic industry. Therefore, the domestic industry has been given some of the required incentives to become competitive to increase exports.

It is a matter of satisfaction that your Company is also a part of this growth momentum. The Company is now set on the path of profitable growth after passing through a very turbulent period. The action taken by the management in the last few years to bring turnaround in the Company and make it profitable have proved successful. During the year, PCCPL continued to strengthen its presence across markets which enabled the Company to grow and improve profitability.

Strategy adopted to increase the sales including exports of Agrochemicals with production at full capacity either directly or under contract manufacturing remained one of the key factors to achieve turnaround.

The Company has improved its operational numbers in the financial year under review with the rise in total income by 30% at Rs. 651 crore against Rs. 502 crore of previous year. The profit before tax increased to Rs. 32.21 crore against Rs. 17.48 crore of previous year.

The Company continues to increase its exports. Out of the total turnover, 64% is from exports at Rs. 411crore against Rs. 291crore of previous year. The Company caters not only European market, but other markets as well. The manufacturing of Agrochemicals have been stepped up with various new molecules, intermediates and other products which are in the demand and required by overseas customers.

It is a matter of satisfaction that all the units of the

Company have performed better than last year.

In view of this, your Directors are pleased to recommend a dividend of Rs. 1.50 per equity share (15%) after a gap of ten years.

The sales turnover of Derabassi unit where most of the Agrochemical products are produced increased to Rs. 495 crore against Rs. 371 crore of previous year with a rise of 33%. The sales turnover of Speciality and Other Chemicals Division at Lalru increased to Rs. 115 crore against Rs. 92 crore of previous year with an increase of 25%. The turnover of Industrial Chemical Division, Pune increased to Rs. 28 crore against Rs. 26 crore of previous year with an increase of 8%.

As stated earlier, the Company had divested its non-performing assets and non-profitable businesses and accordingly, STS Chemicals (UK) Ltd., a wholly owned subsidiary was also dissolved as it was not contributing to the business of the Company. Moreover, there was no plan of further investment in that Company. Presently, the Company has only one overseas subsidiary i.e. S.D. Agchem(Europe) N.V., which is holding various registrations and support the Company to sell its products in the European market.

On consolidated basis, the turnover in the year under review was Rs. 650 crore with a profit before tax of Rs. 28.76 crore against the turnover of Rs. 507 crore and profit of Rs. 24.26 crore in the previous year.

The strategy adopted by the Company for curtailing expenses and meeting working capital requirement by taking up job work from Indian and Overseas Multinational Companies with minimum credit period, has been successful.

The GST implemented last year by the Government has now been running smoothly. The Company has successfully upgraded its systems to cater to the requirement of GST regime.

During the year under review, the Company arranged bridge finance from its promoters and other Companies to pay One Time Settlement amount to the remaining Banks and is now out of the Corporate Debt Restructuring (CDR) System.

The upgradation of IT System in the Company has also been undertaken and has a target that by the end of current financial year, it works more efficiently and smoothly to cater to the latest requirements.

The efforts of the working team are continuing to increase product portfolio with minimum investment and optimum use of available infrastructure and manpower. The re-engineering and automation, wherever possible will be undertaken to increase efficiency of the plants.

The Company would continue to capitalize on evolving market trends through innovations and capacity expansions. The Indian and global markets have been redefined with technologies, regulations and different customer needs. The Company, therefore, have to create opportunity to meet these challenges.

The sincere contribution of all category of employees, business associates like customers, suppliers is deeply acknowledged for being with the Company in the difficult time. I, on behalf of the Board of Directors thank whole heartedly all the stakeholders for their confidence in the management of the Company. I look forward to your continued and valued support in the year to come.

The Vision of late Shri S.D. Shroff, our mentor had set high standard of Corporate Governance and Ethics for our people at all level and PCCPL consistently strive to meet them. We, on regular basis review our systems in terms of transparency and accountability.

Before I conclude, I convey on behalf of the Board of Directors our deep sense of gratitude to all our stakeholders, business associates including creditors and debtors, bankers for their ongoing support. The commitment of all our employees to the growth of the Company is invaluable.

Finally, I would like to sincerely thank each one of you for reposing faith in the Board and the Management.

With best Wishes,

Mukesh D Patel
Chairman

COMPANY INFORMATION

CHAIRMAN EMERITUS	GHATTU RAMANNA NARAYAN
CHAIRMAN	MUKESH DAHYABHAI PATEL
BOARD OF DIRECTORS	SHALIL SHASHIKUMAR SHROFF, Managing Director CAPT. SURJIT SINGH CHOPRA(Retd.) VIJAY DILBAGH RAI SHEO PRASAD SINGH ARUNA R. BHINGE, (SMT.) SHIV SHANKAR SHRIPAL TIWARI AVTAR SINGH, Director (Operations & Business Development)
SR. V.P. (FINANCE) & COMPANY SECRETARY	PUNIT KUMAR ABROL
CHIEF FINANCIAL OFFICER	VIPUL JOSHI
BANKERS	BANK OF BARODA UNION BANK OF INDIA AXIS BANK STATE BANK OF INDIA
AUDITORS	B S R & Co.LLP Chartered Accountants
REGISTERED OFFICE	MILESTONE 18, AMBALA KALKA ROAD, VILLAGE & P.O.: BHANKHARPUR, DERABASSI, DISTT. S.A.S. NAGAR (MOHALI), PUNJAB-140201. Tel: 01762-280086 / 280094 Fax: 01762-280070 Email: info@punjabchemicals.com; Website: www.punjabchemicals.com.
CORPORATE OFFICE	PLOT NO. 645-646, 5TH FLOOR, OBEROI CHAMBERS II NEW LINK ROAD, ANDHERI (WEST), MUMBAI - 400 053 Tel: 022-26747900 Fax: 022-26736193 Email: enquiry@punjabchemicals.com
MANUFACTURING UNITS	DERABASSI AND LALRU (PUNJAB) PUNE (MAHARASHTRA)
REGISTRAR & SHARE TRANSFER AGENT	ALANKIT ASSIGNMENTS LTD., RTA DIVISION, ALANKIT HEIGHTS 1E/13, JHANDEWALAN EXTENSION, NEW DELHI - 110 055 Tel: 011-42541234 / 23541234, Fax: 011-41543474 Email: rta@alankit.com Website: www.alankit.com

CONTENTS

43RD ANNUAL GENERAL MEETING

Tuesday, 13th August, 2019 at 9.30 A.M. at
Hotel Blue Sapphire, Ambala-Chandigarh Highway, Derabassi, Distt. S.A.S. Nagar (Mohali), Punjab - 140201
Book Closure Dates: 5th August 2019 to 13th August 2019

A REQUEST

We are sure you will read with interest the Annual Report for the financial year 2019-20. You may desire to have some clarification or additional information at the ensuing Annual General Meeting. We shall very much appreciate, if you will kindly write to us atleast ten days in advance in order to enable us to keep the information ready for you at the Meeting. We solicit your kind co-operation.

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CIN No. : L24231PB1975PLC047063

Registered Office: Milestone 18, Ambala Kalka Road, Village & P.O Bhankharpur, Derabassi, Dist. SAS Nagar, Mohali (Punjab)- 140201, Telephone Nos.: 01762- 280086, 280094 Fax Nos.: 01762-280070

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

NOTICE

NOTICE is hereby given that the 43rd (Forty Third) Annual General Meeting of the members of Punjab Chemicals and Crop Protection Limited will be held on **Tuesday, the 13th August, 2019 at Hotel Blue Sapphire, Ambala Chandigarh Highway, Derabassi, Distt. S.A.S. Nagar (Mohali), Punjab – 140201 at 9.30 a.m.** to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company (Standalone and Consolidated) for the financial year ended on 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Share for the financial year ended March 31, 2019.
3. To appoint a Director in place of **Shri Avtar Singh** (DIN No. 00063569), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

4. **To re-appoint Shri Mukesh Dahyabhai Patel (DIN: 00009605) as an Independent Director.**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations) as amended from time to time, Shri Mukesh Dahyabhai Patel (DIN:00009605)who was appointed as an Independent Director of the Company at the thirty-eighth Annual General Meeting of the Company and holds office till the conclusion of 43rd Annual General Meeting and who is eligible for re-appointment and meets the criteria for independence as provided in Section 149(6) of the Act along with rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under section 160(1) of the Act proposing his candidature for the office of Director be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for the second term of five (5) consecutive years from the conclusion of 43rd Annual General Meeting till the conclusion of 48th Annual General Meeting of the Company to be held in the year 2024.

   FURTHER RESOLVED THAT the Board of Directors or any officer authorised by the Board be and are hereby authorised to do all such acts, deeds, matters and things and give such directions as may be necessary, in the best interest of the Company, for giving effect to the aforesaid Resolution, including but not limited to signing and execution of necessary forms and documents as may be deemed necessary and expedient in its discretion."

5. **To re-appoint Shri Vijay Dilbagh Rai (DIN:00075837) as an Independent Director and continuation of his directorship after attaining the age of 75 years.**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations) as amended from time to time, Shri Vijay Dilbagh Rai (DIN:00075837) who was appointed as an Independent Director of the Company at the thirty-eighth Annual General Meeting of the Company and holds office till the conclusion of 43rd Annual General Meeting and who is eligible for re-appointment and meets the criteria for independence as provided in Section 149(6) of the Act along with rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under section 160(1) of the Act proposing his candidature for the office of Director be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for the second term of five (5) consecutive years from the conclusion of 43rd Annual General Meeting till the conclusion of 48th Annual General Meeting of the Company to be held in the year 2024.

FURTHER RESOLVED THAT pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made there under, approval of the members of the Company be and is hereby also accorded for continuation of the directorship of Shri Vijay Dilbagh Rai (DIN:00075837), as an Independent Director of the Company, on attaining the age of seventy five years on October 13, 2021, up to the expiry of his term as an Independent Director i.e. upto 48th Annual General Meeting to be held in the year 2024.

FURTHER RESOLVED THAT the Board of Directors or any officer authorised by the Board be and are hereby authorised to do all such acts, deeds, matters and things and give such directions as may be necessary, in the best interest of the Company, for giving effect to the aforesaid Resolution, including but not limited to signing and execution of necessary forms and documents as may be deemed necessary and expedient in its discretion."

6. **To ratify the remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2020.**

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

"RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) there of, for the time being in force), the remuneration of Rs. 1,50,000/- (Rupees one lac fifty thousand only) plus applicable taxes thereon and reimbursement of out of pocket expenses at actuals to M/s Khushwinder Kumar & Co., Cost Accountant, Jalandhar, (Firm Registration No.100123) who has been appointed by the Board as Cost Auditors of the Company for conducting the cost audit of the accounts for the financial year 2019-20 be and is hereby approved and ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company or any officer be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Notes:

1. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Special Business under Item Nos. 4 to 6 of the accompanying Notice is annexed hereto.
2. The relevant details of the Directors seeking re-appointment/appointment under Item Nos. 3, 4 & 5 above as required by Regulation 26 (4) and 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and other requisite information as per Clause 1.2.5 as required under Secretarial Standards – 2 on General Meetings issued by The Institute of Company Secretaries of India are annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of Members not exceeding fifty (50) in number and holding in the aggregate not more than ten per cent (10%) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than ten per cent (10%) of the total share capital of the Company carrying voting rights, then such person shall not act as a proxy for any other person or shareholder. Proxies in order to be effective, must be received at the Registered Office of the Company, duly completed and signed, not less than 48 (forty eight) hours before the commencement of the Meeting. Proxies submitted on behalf of the Companies, LLP, Societies etc., must be supported by an appropriate resolution/authority, as applicable issued on behalf of the nominating organisation. A Proxy Form is annexed to this Notice.
4. Corporate Members, LLPs are required to send a certified true copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote on their behalf at the Meeting.
5. Members, Proxies and Authorized Representatives are requested to bring to the meeting, the attendance slip enclosed herewith, duly completed and signed mentioning therein details of their DP ID and Client ID/Folio No. Duplicate Attendance Slip or copies of the Report and Accounts will not be made available at the AGM venue.
6. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.
7. In terms of the provisions of Section 152 of the Act, Shri Avtar Singh, Director shall retire by rotation at the Meeting. The Board of Directors of the Company commend his re-appointment.
8. The Company's Statutory Auditors, M/s B S R & Co. LLP, Chartered Accountants, Mumbai registered with the

Institute of Chartered Accountants of India vide registration number 101248W/W-100022) were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting ("AGM")of the Members held on September 14, 2017 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on September 14, 2017. However, pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on there commendation of the Audit Committee.

9. Electronic copy of the Annual Report for FY 2018- 19 is uploaded on the Company's website www.punjabchemicals.com and is being sent to all the Members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes, unless any Member has requested for a physical copy of the same. Members are requested to support Green initiative by registering/ updating their e-mail addresses with the Depository Participant (in case of shares in dematerialized form) or with Alankit Assignments Ltd., Registrar and Share Transfer Agent ("RTA") of the Company (in case of shares held in physical form).

   Electronic copy of this Notice of the 43rd AGM is uploaded on the Company's website www.punjabchemicals.com and also on the website of Central Depository Services (India) Limited viz. www.evotingindia.com of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form and the same is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes, unless any Member has requested for a physical copy of the same. For Members who have not registered their email address, physical copies of this Notice and the Annual Report for FY 2018-19 are being sent through permitted mode. For any communication, the Members may also send requests to the Company's email ID: investorhelp@punjabchemicals.com.

10. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the Company's Registered Office at Milestone 18, Ambala Kalka Road, Village & P.O Bhankharpur, Derabassi, Dist. SAS Nagar, Mohali (Punjab) – 140201 on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the date of this AGM and also at the AGM.

11. Members seeking any information with regard to the Accounts are requested to write to the Company at least ten (10) days in advance, so as to enable the Management to keep the information ready at the meeting.

12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.

13. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.

14. Members are requested that the Registrar and Share Transfer Agent of the Company - M/s Alankit Assignments Ltd. be immediately intimated of any change in their addresses, e-mail Ids, contact numbers, bank details, ECS mandate, Nomination, etc. in respect of the equity shares held in physical mode and to their Depository Participants(DPs) in respect of equity shares held in dematerialized form. This will help the Company and the Registrar to provide better and efficient services.

15. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the RTA of the Company/Company.

16. **SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (exception case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.**

17. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have

not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website at www.punjabchemicals.com. Members holding shares in physical form may submit the same to M/s Alankit Assignments Ltd., Registrar and Share Transfer Agent. Members holding shares in electronic form may submit the same to their respective depository participant.

18. The Register of Members and Share Transfer Books of the Company will remain closed from August 5, 2019 to August 13, 2019 (both days inclusive), for determining the names of Members eligible for dividend on Equity Shares, if declared at the AGM.

19. The dividend on Equity Shares, if declared at the AGM, will be paid to the members whose names appear on the record of Depositories [National Securities Depository Limited and Central Depository Services (India) Limited] on August 6, 2019 (for shares held in demat mode) and in the Register of Members of the Company (for shares held in physical mode) updated as on August 6, 2019. The dividend will be paid to the Members within the stipulated time.

20. Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares on which dividends remain unpaid /unclaimed for a period of 7 (seven) consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Accordingly, the Company has transferred 1,09,179 Ordinary Shares of the face value of Rs. 10 per share to the demat account of the IEPF Authority during the financial year 2017-18. The details of such shares transferred to IEPF has been uploaded on the website of the Company at www.punjabchemicals.com. The Members/claimants whose shares and unclaimed dividend have been transferred to the IEPF Authority can claim the same by making an application to the IEPF Authority in Form IEPF- 5 along with requisite documents (available on www.iepf.gov.in) and sending duly signed physical copy of the same to the Company along with requisite documents prescribed in Form IEPF-5. Member/claimant can file only one consolidated claim in a financial year as per the IEPF Rules. No claims shall lie against the Company in respect of the dividend/shares so transferred. During the financial year 2018-19, no equity shares or dividend amount was required to be transferred to IEPF.

21. The cut-off date for the purpose of determining the Members eligible for participation in remote e-voting (e-voting from a place other than venue of the AGM) and voting at the AGM is August 6, 2019. Please note that Members can opt for only one mode of voting i.e., either by voting at the meeting or remote e-voting. If Members opt for remote e-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting can attend the Meeting and participate in the Meeting, but shall not be entitled to cast their vote again.

22. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote evoting, as well as voting at the Meeting through electronic voting system or poll paper.

23. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice, holds shares as of the cut-off date i.e. August 6, 2019, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if the Member is already registered with CDSL for remote e-voting, then he/she can use his/her existing User-ID and password for casting the vote. Only a Member who is entitled to vote shall exercise his/her/its vote through e-voting and any recipient of this Notice who has no voting rights as on the Cut-off Date should treat the same as intimation only. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evotingindia.com.

24. A route map showing directions to the venue of the 43rd AGM is given at the end of this Notice as per the requirement of the Secretarial Standard-2 on "General Meetings".

25 **Voting through electronic means**:

In terms of Sections 107 and 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI Listing Regulations, the Company has provided a facility to the Members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited (CDSL). The facility for voting through poll/ ballot paper will also be made available at the AGM. The Members attending the AGM and who have not cast their votes by remote e-voting shall be able to exercise their right at the AGM through poll/ ballot paper. **Members who cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.**

The instructions for shareholders voting electronically are as under:

i) The voting period begins on **Friday, 9th August, 2019 at 9:00 a.m. (IST)** and ends on **Monday, 12th August, 2019 at 5:00 p.m. (IST)**. 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, 6th August, 2019** 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 e-voting website '**www.evotingindia.com**' during the voting period.

iv) Click on "**Shareholders" tab**.

v) Now, enter your User ID:

a) For NSDL:- 8 Characters DP ID Followed By 8 Digits Client ID

b) For CDSL:- 16 Digits Beneficiary ID

c) Members holding shares in Physical Form should enter Folio Number registered with the Company

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 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:

PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. • In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Date of Birth (DOB) or Dividend Bank Details	Please enter the DOB (in dd/mm/yyyy format) or Dividend Bank Details as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the Depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

ix) After entering these details appropriately, click on "**SUBMIT**" tab.

x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is 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 the 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. Kindly ensure that you note down your password for future reference.

xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xii) Select the EVSN of Punjab Chemicals and Crop Protection Limited.

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 and enter the details as prompted by the system.

xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xx) Note for Non-Individual Shareholders and Custodians:

a) 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 as Corporates.

b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

c) 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.

d) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

e) 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.

xxi) In case you have any queries or issues regarding evoting, 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.

27. Shri S.K. Sharma, Practicing Company Secretary (C.P No.3864) has been appointed as the Scrutinizer for scrutinizing the remote e-voting process as well as voting process at the AGM in a fair and transparent manner.

28. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting through ballot paper with the assistance of the Scrutinizer for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

29. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the meeting and, there after unblock the votes cast through remote e-voting, in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

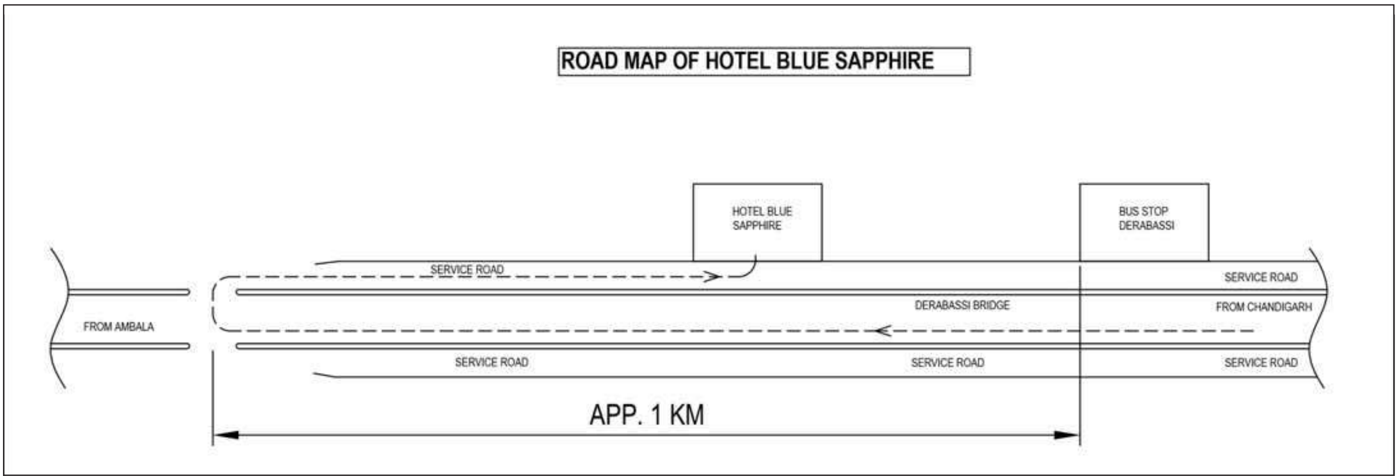
30. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.punjabchemicals.com and on the website of the CDSL after the same is declared by the Chairman/ authorized person. The Results shall also be simultaneously forwarded to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By order of the Board of Directors

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

Date: 30th May, 2019

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



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

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

ITEM NO. 4:

The shareholders of the Company in the 38th Annual General Meeting held on 23rd September, 2014 have appointed Shri Mukesh Dahyabhai Patel (DIN:00009605) as Independent Director of the Company for a period of 5 years i.e., from 38th Annual General Meeting upto the conclusion of 43rd Annual General Meeting to be held in the year 2019. Therefore the term of Shri Mukesh Dahyabhai Patel shall expire at the ensuing Annual General Meeting.

In terms of Section 160 of the Act, the Company has received notice in writing from a member signifying his intention to propose the candidature of Shri Mukesh Dahyabhai Patel for the office of Independent Director. The requirement of deposit of amount while appointing a new Director of the Company is done away vide notification dated February 9, 2018 issued by the Ministry of Corporate Affairs, New Delhi, provided the appointment of Director is recommended by the Nomination and Remuneration Committee of the Company.

The Nomination and Remuneration Committee in its meeting held on 10th May, 2019 and the Board of Directors at their meeting held on the same day have appreciated his contribution and recommended the re-appointment of Shri Mukesh Dahyabhai Patel as Independent Director to hold office for another term (second term) of five (5) years up to the conclusion of 48th Annual General Meeting to be held in the year 2024 on the basis of the evaluation of performance, his contribution, rich experience and vast knowledge.

In the opinion of the Board, Shri Mukesh Dahyabhai Patel fulfills the conditions specified in the Companies Act, 2013 and the Rules framed there under and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for re-appointment as Independent Director and he is independent of the management.

The Company has received from Shri Mukesh Dahyabhai Patel:

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 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified as per Section 164(2) of the Companies Act, 2013; and

iii) A declaration to the effect that he meets the criteria of independence as provided under Section 149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri Mukesh Dahyabhai Patel is interested in the resolution set out at Item No. 4 of the Notice with regard to his appointment.

Relatives of Shri Mukesh Dahyabhai Patel may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

As per the provisions of Section 149 of the Companies Act, 2013, the Independent Director shall be eligible for re-appointment subject to approval of shareholders by way of a Special Resolution.

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

The above referred documents shall be open for inspection without any fee by the members at the Company's Registered Office during normal business hours on any working day, excluding Saturday and Sunday upto the date of the Meeting.

ITEM NO. 5:

The shareholders of the Company in the 38th Annual General Meeting held on 23rd September, 2014 have appointed Shri Vijay Dilbagh Rai (DIN:00075837), as Independent Director of the Company for a period of 5 years i.e., from 38th Annual General Meeting upto the conclusion of 43rd Annual General Meeting to be held in the year 2019. Therefore the term of Shri Vijay Dilbagh Rai shall expire at the ensuing Annual General Meeting.

In terms of Section 160 of the Act, the Company has received notice in writing from a member signifying his intention to propose the candidature of Shri Vijay Dilbagh Rai for the office of Independent Director. The requirement of deposit of amount while appointing a new Director of the Company is done away vide notification dated February 9, 2018 issued by the Ministry of Corporate Affairs, New Delhi, provided the appointment of Director is recommended by the Nomination and Remuneration Committee of the Company.

The Nomination and Remuneration Committee in its meeting held on 10th May, 2019 and the Board of Directors at their meeting held on the same day have appreciated their contribution and recommended the re-appointment of Shri Vijay Dilbagh Rai, aged around 72 years as Independent

Director to hold office for another term (second term) of five (5) years up to the conclusion of 48th Annual General Meeting to be held in the year 2024 on the basis of the evaluation of his performance, rich experience and vast knowledge.

In the opinion of the Board Shri Vijay Dilbagh Rai fulfills the conditions specified in the Companies Act, 2013 and the Rules framed there under and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for re-appointment as Independent Director and he is independent of the management.

The Company has received from Shri Vijay Dilbagh Rai :

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 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified as per Section 164(2) of the Companies Act, 2013; and

iii) A declaration to the effect that he meets the criteria of independence as provided under Section149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri Vijay Dilbagh Rai will attain the age of seventy five years during the second tenure of five years on October 13, 2021. Pursuant to Regulation 17 (1A) of SEBI LODR, no listed Company shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a Special Resolution is passed to that effect. Therefore the approval for continuation of his directorship beyond 75 (seventy five) years of age is also being sought by a Special Resolution. The Board on the basis of performance, evaluation and recommendation of Nomination and Remuneration committee considers that in view of his contribution to the Company, rich experience, continued association of Shri Vijay Dilbagh Rai would be beneficial to the company and it is desirable to continue to avail his valuable services.

Shri Vijay Dilbagh Rai is interested in the resolution set out at Item No. 5 of the Notice with regard to his re-appointment.

Relatives of Shri Vijay Dilbagh Rai may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company /their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

As per the provisions of Section 149 of the Companies Act, 2013, the Independent Director shall be eligible for re-appointment subject to approval of shareholders by way of a Special Resolution. In terms of Regulation 17 (1A) of SEBI LODR, the listed Company shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years by passing a Special Resolution only.

The Board recommends the Special Resolutions set forth in Item No. 5 of the Notice for the approval of the Members.

The above referred documents shall be open for inspection without any fee by the members at the Company's Registered Office during normal business hours on any working day, excluding Saturday and Sunday upto the date of the Meeting.

ITEM NO. 6:

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s Khushwinder Kumar & Co. Cost Accountant, Jalandhar (Firm Registration No.100123) as the Cost Auditor of the Company to conduct audit of the cost records of all the Divisions of the Company for the financial year 2019-20 on a consolidated remuneration of Rs. 1,50,000/- (Rupees one lac fifty thousand only) plus applicable taxes thereon and reimbursement of out-of-pocket expenses.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

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

By order of the Board of Directors

Punit K Abrol

Date: 30th May, 2019 Sr. V.P. (Finance) & Secretary

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

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

Name of the Director	**Shri Avtar Singh**
DIN	00063569
Date of Birth	October 4, 1958
Age	60 Years
Date of first appointment	November 14, 1996
Qualifications	B.Sc from Panjab University, Chandigarh
Expertise in specific functional areas	He has overall experience of about 39 years in manufacturing Chemicals, Pharmaceuticals and Agrochemicals in the Company. He is the overall incharge of operations of Agro Chemicals Division and Speciality Chemicals Division, Punjab. He not only introduced various products but also improved raw material efficiency and reduced cost of production of the existing products. His knowledge and experience in chemistry and interest in Quality Control, has helped the Company to sustain its presence in the International market by matching the international standard of quality and price competitiveness. His prime responsibility for these two divisions has been to look after Production, R&D, New Product Development and commencement of the commercial production of new products.
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	Saurav Chemicals Limited
Membership of Committees/ Chairmanship in other Public Limited Companies	**Saurav Chemicals Limited** Audit Committee: Member CSR Committee: Member Nomination & Remuneration Committee: Member Independent Director Committee: Member
No. of Board Meetings attended during the year 2018-19	5
No. of shares held	7011
Relationships between Directors inter-se	NA
Terms and conditions of appointment or re-appointment.	Re-appointment as Director liable to retire by rotation. Director (Operations) & Business Development appointed for 3 years from 14.11.2017 to 13.11.2020.
Remuneration last drawn (including Sitting fees, if any)	The remuneration drawn is disclosed in report on corporate governance forming part of Annual Report for FY 2018-19.

Name of the Director	**Mukesh Dahyabhai Patel**
DIN	00009605
Date of Birth	December 12, 1949
Age	69 years
Date of first appointment	February 19, 1985
Qualifications	Graduate in Chemical Engineering.
Expertise in specific functional areas	Shri M.D Patel, aged about 69 years, is an Independent Non-Executive Director of the Company. He is a graduate in Chemical Engineering. Besides having over 43 years experience in finance and corporate management at Director level, he was associated with various industry bodies such as Indian Chemicals Manufacturer's Association, CHEMXCIL and Indian Association of Materials' Management.
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	a. Shilchar Technologies Limited b. Banco Products (India) Limited c. Universal Ester Limited

Membership of Committees/ Chairmanship in other Public Limited Companies	**Shilchar Technologies Limited:** Audit Committee — Chairman Stakeholders Relationship Committee — Chairman **Banco Products (India) Limited:** Audit Committee — Member Stakeholders Relationship Committee — Chairman Nomination & Remuneration Committee — Member
No. of Board Meetings attended during the year 2018-19	6
No. of shares held	400
Relationships between Directors inter-se	NA
Terms and conditions of appointment or re-appointment	Re-appointment as Independent Director for a second term to hold office for a term of five (5) consecutive years from the conclusion of 43rd Annual General Meeting till the conclusion of 48th Annual General Meeting of the Company to be held in the year 2024
Remuneration last drawn (including Sitting fees, if any)	The Sitting fee along with commission drawn is disclosed in report on Corporate Governance forming part of Annual Report for FY 2018-19.

Name of the Director	**Shri Vijay Dilbagh Rai**
DIN	00075837
Date of Birth	October 13, 1946
Age	72 years
Date of first appointment	February 28, 1985
Qualifications	B.Tech from IIT, Kharagpur with courses in marketing and personnel management
Expertise in specific functional areas	Shri Vijay Rai (aged 72 years) is a B. Tech from I.I.T. Kharagpur and further done courses in marketing and personnel management. He has experience of more than 49 years in Industry out of which 28 years was with the leading industrial group in India "the Tata group" and was the CEO of Rallis India Ltd. (Rallis), one of the largest Agrochemicals Company in India, for over 12 years.He was awarded in 1999 as the Most Admired Manager in the industry by the Pesticide Formulators and Manufacturers Association. Since 2000, he has been a consultant in manufacturing management and an advisor in the area of agrochemicals manufacture and marketing.
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	a. Akola Chemicals (India) Limited b. English India Clays Limited c. Greaves Cotton Limited d. Greaves Leasing Finance Limited e. Saurav Chemicals Limited
Membership of Committees/ Chairmanship in other Public Limited Companies	**English India Clays Limited:** Stakeholders Relationship Committee — Chairman Nomination & Remuneration Committee — Chairman CSR Committee — Member **Greaves Cotton Limited:** Stakeholders Relationship Committee — Chairman Nomination & Remuneration Committee — Member **Saurav Chemicals Limited:** Audit Committee — Member
No. of Board Meetings attended during the year 2018-19	6
No. of shares held	NIL
Relationships between Directors inter-se	NA
Terms and conditions of appointment or re-appointment	Reappointment as Independent Director for a second term to hold office for a term of five (5) consecutive years from the conclusion of 43rd Annual General Meeting till the conclusion of 48th Annual General Meeting of the Company to be held in the year 2024.
Remuneration last drawn (including Sitting fees, if any)	The Sitting fee along with commission drawn is disclosed in report on Corporate Governance forming part of Annual Report for FY 2018-19.

DIRECTORS REPORT

TO THE MEMBERS,

1. Your Directors have pleasure in presenting the 43rd Annual Report of the business and operations along with the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on March 31, 2019.

2. FINANCIAL RESULTS:

The financial performance of the Company for the year ended March 31, 2019 is summarized below:

(Rs. In lac)

Particulars	Consolidated*		Standalone	
	2018-19	**2017-18**	**2018-19**	**2017-18**
Revenue from Operations and Other Income	64950	50692	65073	50219
Earnings before Interest, Depreciation & Tax & Exceptional item (EBIDTA)	7300	5262	7625	4567
Depreciation/Amortisation	1860	1394	1860	1394
Finance Cost	1726	1768	1706	1751
Profit / (Loss) before Tax & Exceptional item	3714	2100	4059	1422
Exceptional (Expenses) / Income	(838)	326	(838)	326
Profit / (Loss) before Tax (PBT)	2876	2426	3221	1748
Income Tax Expenses:				
Current Tax	542	297	542	297
Adjustment of tax pertaining to earlier periods	38	(51)	38	(51)
Deferred Tax	616	462	616	462
Total Income Tax Expenses	1196	708	1196	708
Profit / (Loss) after Tax (PAT)	1680	1718	2025	1040
Other Comprehensive income / expense not to be reclassified to profit or loss in subsequent period	(11)	(336)	(118)	(14)
Total comprehensive income for the period	1669	1382	1907	1026
Earnings per share (EPS) Basic and diluted (in Rs.) (not annualized)	13.70	14.01	16.51	8.48

Notes:

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

3. IND-AS:

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2019 has been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under section 133 of Companies Act, 2013 and other relevant provisions of the Act.

The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2019. The Notes to the Financial Statements adequately cover the standalone and consolidated Audited Statements and form an integral part of this Report.

4. STANDALONE RESULTS:

The Directors are happy to state that during the year under review, total revenue of the Company increased to Rs. 651 crore with Profit before Tax of Rs. 32.21 crore against the revenue of Rs. 502 crore and Profit before Tax of Rs.17.48 crore in the previous year.

The increase in profit is due to running of the plants at full capacity and increase in the sale of profitable products.

The revenue of Agro Chemicals Division, Derabassi has increased to Rs. 495 crore against Rs. 371 crore of previous year which is 77% of the total revenue. The revenue of Specialty and Other Chemicals Division, Lalru has also increased to Rs. 115 crore from Rs. 92 crore of previous year. Industrial Chemical Division Pune's revenue was Rs. 28 crore against Rs. 25 crore of previous year.

The overall increase in the revenue and profit is attributed to increase in production and sale. Job work income is 6% of the total revenue, which was 10% in the previous year.

5. SUBSIDIARY COMPANIES:

During the year under review, STS Chemicals (UK) Limited (STS) was dissolved on 15th May, 2018 as there was no commercial activity in the Company. There was no further plan for doing business in that Company.

As on 31st March, 2019, the Company has only one wholly owned overseas subsidiary namely SD AgChem (Europe) NV, Belgium. The total income of SD Agchem (Europe) NV was Rs. 11.24 crore with net loss of Rs. 2.32 crore as compared to the Income of Rs. 16.14 crore and net profit of Rs. 3.70 crore in the previous year.

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

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of the subsidiaries are available on the website of the Company www.punjabchemicals.com. These documents will also be available for inspection during business hours at the Registered Office of the Company.

The Policy for determining material subsidiaries, adopted by the Board of Directors, pursuant to Regulation 16 of the SEBI (LODR) Regulations, 2015 (herein after called as "Listing Regulations") can be accessed on the Company's website www.punjabchemicals.com.

6. CONSOLIDATED RESULTS:

The Consolidated Financial Statements of the Company including its wholly owned subsidiary have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (India Accounting Standards) Amendment Rules, 2016 notified under Section 133 of Companies Act, 2013, and other relevant provisions of the Act. The consolidated financial statements of the Company as at and for the year ended on 31 March 2019 comprise the financial statements of Company and its subsidiary (together referred to as "the Group").

As per the consolidated account, the total revenue risen to Rs. 650 crore with a profit before tax of Rs. 29 crore against the total income of Rs. 507 crore and profit before tax of Rs. 24 crore in the previous year.

7. REPORTING OF FRAUDS:

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

8. DIVIDEND:

After reviewing the financial results your Directors are pleased to recommend a dividend of Rs. 1.50 per equity share (15%) for the financial year under review. The total dividend amount for the financial year 2018-19 shall be Rs. 183.93 lac (excluding Dividend Distribution Tax).

The dividend on equity shares is subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company. The dividend once approved by the Shareholders will be payable to those members whose name appear in the Register of members as on the date of Book Closure. The Register of Members and Share Transfer Books of the Company will remain closed from August 5, 2019 to August 13, 2019 (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2019 and the Annual General Meeting.

9. RESERVES:

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

10. SHARE CAPITAL:

The paid up Equity Share Capital as at March 31, 2019 stood at Rs. 12.26 crore consisting of 1,22,62,185 equity shares of Rs. 10 each. During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. As on March 31, 2019, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

11. STATE OF AFFAIRS OF THE COMPANY:

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

12. OUTLOOK:

The main business of your Company is manufacturing Performance Chemicals which includes Agro Chemicals and other Specialty Chemicals. We are present in both domestic and export markets. The Company has also an arrangement with few multinational Companies for contract manufacturing and sale of its products.

In view of the scenario described in the management discussions your Company is expected to grow with wide range of products and manufacturing expertise barring unforeseen circumstances.

13. FINANCE:

As stated in the Annual Report of last year, the Management has taken various steps to improve the liquidity position of the Company. The steps viz. sale of non-performing assets and non-profitable business, taking up toll manufacturing in a large scale and tie up with major customers to minimise the credit period have helped in running the business more efficiently.

During the year the Company has paid the dues of all the Banks after settlement with each Bank. Further the Company has not raised any additional borrowing from banks or financial institutions. However, Inter Corporate Deposits were taken from the Promoter Group and other Companies for repayment of debts and other Corporate needs in addition to lease arrangement with NBFCs for financing of assets.

In view of increased operations, the Company is exploring various options for working capital and long term funds from Banks to upgrade the plants.

14. PUBLIC DEPOSITS:

Your Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) **Independent Directors**:

The term of appointment of Shri Mukesh Dahyabhai Patel and Shri Vijay Dilbagh Rai as Independent Directors of the Company will expire on the ensuing 43rd Annual General Meeting of the Company on completion of their term of five (5) years.

The Nomination and Remuneration Committee at their meeting held on 10th May, 2019 and the Board of Directors at their meeting held on the same day have recommended the re-appointment of Shri Mukesh Dahyabhai Patel and Shri Vijay Dilbagh Rai, as Independent Directors to hold office for another term of five (5) years upto the conclusion of 48th Annual General Meeting to be held in the year 2024 on the basis of evaluation of their performance, rich experience and vast knowledge.

The Company has received the following documents from both of them:

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 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified as per Section 164(2) of the Companies Act, 2013; and

iii) a declaration to the effect that they meet the criteria of independence as provided under Section 149 of the Companies Act, 2013.

Thereafter, the Company will continue to have three Independent Directors on the Board of the Company namely Shri Mukesh Dahyabhai Patel (DIN:00009605), Shri Vijay Dilbagh Rai (DIN:00075837) and Shri Sheo Prasad Singh (DIN:06493455) as required under the Companies Act, 2013 and SEBI (LODR).

All the Independent Directors have given the required undertaking for compliance of the criteria of independence as laid down in Section 149(7) of the Companies Act, 2013 and a declaration that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. The same was received and placed before the Board in its meeting held on 10th May, 2019.

Shri Vijay Rai will attain the age of seventy five years during the second tenure of five years on October 13, 2021. Pursuant to Regulation 17(1A) of SEBI LODR, no listed Company shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a Special Resolution is passed to that effect. Therefore the approval of his re-appointment is being sought by a Special Resolution.

b) **Retirement by Rotation:**

In terms of Section 152 of the Companies Act, 2013 and the provisions of the Articles of Association of the Company, Shri Avtar Singh (DIN:00063569), Director retires by rotation at the forthcoming Annual General Meeting. He being eligible, has offered himself for re-appointment. The Board has recommended his re-appointment as Director, liable to retire by rotation.

c) **Continuation of directorship of Capt. S.S. Chopra (Retd.) (DIN:00146490) as a Non-Executive Non Independent Director of the Company, who has attained the age of 75 years.**

Pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company took the approval of the Members by way of Special Resolution vide Postal Ballot Notice dated 25th January, 2019 for continuation of Directorship of Capt. S.S. Chopra (Retd) (DIN:00146490), (aged around 79 years) on the Board of the Company as a Non Executive Non Independent Director, liable to retire by rotation.

d) **Revision of remuneration of the Managing Director and Whole Time Director:**

The shareholders of the Company, on February 2, 2018 by means of special resolution passed through Postal Ballot, have given their approval for:

1. Re-appointment of Shri Avtar Singh (DIN:00063569) as the Whole Time Director of the Company for a period of three (3) years from 14.11.2017 to 13.11.2020 on the terms and conditions including revision in the remuneration.
2. Re-appointment of Shri Shalil Shashikumar Shroff (DIN: 00015621) as the Managing Director of the Company for a period of three (3) years from 15.01.2018 to 14.01.2021 on the terms and conditions including revision in the remuneration.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee in their meeting held on 19th September, 2018 had revised the remuneration and the scale of Shri Avtar Singh (DIN:00063569), Whole Time Director and Shri Shalil Shashikumar Shroff (DIN: 00015621), Managing Director of the Company.

The remuneration to both the Executive Directors is within the ceiling provided in the Companies Act, 2013.

e) **Relationship / Transaction with Company:**

The Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than taking sitting fees, commission and reimbursement of expenses incurred by them to attend meetings of the Company.

Details and brief resume of the Directors seeking reappointment/appointments required by Regulation 26 (4) and 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as required under Secretarial Standards – 2 on General Meetings issued by The Institute of Company Secretaries of India are furnished in the Notice convening the Annual General Meeting forming part of the Annual Report.

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

f) **Number of meetings of the Board:**

The Board meetings of your company are planned in advance in consultation with the Board Members. The Board met six (6) times during the Financial Year 2018-19, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

g) **Board Evaluation:**

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

The performance of the independent directors was evaluated by the entire Board except the person being evaluated, in their meeting held on March 26, 2019.

A separate meeting of Independent Directors was held on March 26, 2019, to review the performance of Non-Independent Directors', performance of the Board and Committee as a whole and performance of the Chairman of the Company, taking into account the views of Executive Directors and the Non-Executive Directors.

h) **Details of Familiarization Programme:**

The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model and related matters are posted on the website of the Company at www.punjabchemicals.com/Investors/Company Policies.

i) **Committees of the Board:**

The Company's Board has constituted the following Committees prescribed under the Companies Act and the Listing Regulations:

a. Audit Committee
b. Stakeholders Relationship Committee
c. Nomination & Remuneration Committee
d. Corporate Social Responsibility (CSR) Committee
e. Risk Assessment Committee

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

j) **Key Managerial Personnel ('KMP')**

In terms of the provisions of Section 2(51) and Section

203 of the Act, the Board of Directors has nominated following as KMP of the Company:

- Shri Shalil Shashikumar Shroff, Managing Director
- Shri Avtar Singh, Director (Operations & Business Development)
- Shri Vipul Joshi, Chief Financial Officer
- Shri Punit K Abrol, Sr. V.P. (Finance) & Company Secretary
- Shri Jain Parkash, Sr. V.P. (Works)

16. LISTING WITH STOCK EXCHANGES:

The Company's shares continue to be listed at the National Stock Exchange of India Limited and BSE Limited. The Annual Listing fee for the fiscal year 2018-19 has been paid to these Exchanges.

17. ENVIRONMENT / POLLUTION CONTROL, HEALTH AND SAFETY:

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

The effluent and emissions generated from the plants are regularly monitored and treated. The Company has an Effluent Treatment Plant with incinerator to treat the waste materials. In addition to this, for the solid waste, the Company has tied up with Common Effluent Treatment Plants set up in the nearby areas of the manufacturing sites. The Company commits for the clean and healthy environment in and around of its manufacturing sites.

18. WELFARE ACTIVITIES AND CORPORATE SOCIAL RESPONSIBILITY:

i) Welfare Activities:

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

The Company continues to organize a 'Blood Donation Camp' in the memory of Late Shri S.D. Shroff on 18th December every year. Around 103 employees donated blood this year.

ii) Corporate Social Responsibility:

Company's Corporate Social Responsibility (CSR) Policy has been posted on the website at www.punjabchemicals.com in compliance with the disclosure about CSR Policy Rules, 2014.

During the year under review, the Company had to spend Rs. 50.87 lac based on the average net profit of the last three years on various activities for social welfare. Accordingly, the amount was spent on activities like upgradation of infrastructure of schools, preventive healthcare by way of medical camps in villages including eye operations, providing sanitation and required study material in the schools.

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

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

19. RESEARCH & DEVELOPMENT AND QUALITY CONTROL:

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

The Quality Control is the strength of the Company. All raw materials and finished products pass through stringent quality checks for better results.

20. INSURANCE:

The Company has taken adequate insurance policies for its assets against the possible risks like fire, flood, public liability, marine, etc.

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

21. MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE REPORT:

(i) **MANAGEMENT DISCUSSION AND ANALYSIS:**

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

(ii) **CORPORATE GOVERNANCE REPORT:**

The Company strives to maintain the required standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has complied with the Corporate Governance Code as stipulated under the Listing Regulations. The Report on Corporate Governance in accordance with Rules 34(3) read with para C of Schedule V of SEBI (LODR) Regulations, 2015 forms integral part of this Report.

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

22. EXTRACT OF THE ANNUAL RETURN:

The information required under Section 134 (3) (a) of the Companies Act, 2013 (the Act) read together with Section 92 (3) of the Act regarding extract of the Annual Return is appended hereto as **Annexure 3** and forms part of this Report. A copy of the same is available on the website of the Company at www.punjabchemicals.com.

23. REGISTRAR AND SHARE TRANSFER AGENT:

M/s Alankit Assignments Ltd., Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi, are the Registrar and Share Transfer Agent of the Company for the Physical as well as Demat shares. The members are requested to contact the Registrar directly for any of their requirements.

24. AUDITORS' REPORTS:

a. Statutory Auditor Report:

The Audit Report on Standalone Financial Statements does not contain any qualification, reservation or adverse remarks.

However the Statutory Auditors have "Qualified Opinion" in the Auditors Report of Consolidated Financial Statements as follows:

"We draw attention to note 44 of the Consolidated Financial Statements which explains that the Holding company had during the previous year (ending 31st March 2018) sold its entire stake in an overseas step down subsidiary on 28th September 2017. However, the holding Company did not have the financial information pertaining to the aforesaid subsidiary for the period 1st April 2017 to 28th September 2017 (the date of sale). In view of this , the holding Company did not consolidate the profit and loss account of the aforesaid subsidiary till the date of sale and computed the loss or gain on sale with reference to the position of the subsidiary as at 1st April 2017. This was not in compliance with Indian Accounting Standard 110 "Consolidated Financial Statements". Basis above, our audit opinion on the consolidated financial statements for the year ended 31st March 2018 was disclaimed.

Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures with the corresponding figures particularly with regard to the corresponding figures in the profit and loss account."

The Board after consideration has given the following explanations and comments on the "Qualified Opinion":

Since Sintesis Quimica (SQ) was sold in the previous year and the Company could not get partial financial information for the period upto the date of disposal. Hence, the Company was not able to consolidate SQ for the partial period in accordance with IND AS 110 "Consolidated Financial Statements". It may be noted that the modification had no impact on consolidated net profit and other comprehensive income for the year ended 31st March, 2018. Similarly on the same basis no possible effect of this matter on the comparability of the current figures and the corresponding figures for the year ended 31st March, 2019 particularly with regard to the corresponding figures in the profit and loss account.

b. Secretarial Audit Report:

The Secretarial Audit Report for the financial year 2018-19 is annexed to this Report as **Annexure 4** and forms part of this Report**.**

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

25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Particulars relating to loans and guarantees or investments under section 186 of the Companies Act, 2013 are provided in the Note 45 to the standalone financial statement.

26. RELATED PARTY TRANSACTIONS:

There are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions that were entered into during the financial year were on an arm's length basis and werein the ordinary course of business. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis. Prior omnibus approval of the Audit Committee is obtained on yearly basis for the transactions which are of repetitive nature. The transactions entered into pursuant to the omnibus and specific approval are reviewed periodically by the Audit Committee. As required under SEBI (LODR), detailed related party disclosures as per Accounting Standards, please refer Note 42 of the Standalone and Consolidated Financial statements.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at www.punjabchemicals.com.

None of the Directors has any material pecuniary relationships or transactions vis-a-vis the Company.

Form AOC-2 pursuant to clause (h) of sub-section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure 5** and forms part of this Report.

27. MATERIAL CHANGES AND COMMITMENTS, IF ANY:

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

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

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

29. EMPLOYEES AND INDUSTRIAL RELATIONS:

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business.

The relation between the management and employees are healthy and cordial. There is a transparency in the dealings and on matters relating to the activities of the Company and its employees.

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

The Board of Directors are pleased and appreciate the sincere efforts, their belongingness and commitment of all categories of the employees which has brought the turn around in the Company.

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

30. RISK MANAGEMENT:

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

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company has formulated Risk Management Policy which is posted on the website of the Company at www.punjabchemicals.com. The Audit Committee also oversees the area of financial risks and controls.

31. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The current policy is to have an appropriate mix of Executive and Independent directors to maintain the independence of the Board and separate its function of governance and management. As on March 31st, 2019, the Board consists of 8 Members, 2 of whom are Executive Directors, 2 Non Executive Non Independent Directors, 3 Independent Directors and 1 Woman Director. The Board periodically evaluates the need for change in its composition and size.

The Nomination and Remuneration Committee has formulated a Nomination and Remuneration Policy under Section 178 (3) of the Companies Act, 2013 which lays down criteria for determining qualifications, positive attributes and independence of a Director and remuneration for the Directors, Key Managerial Personnel and senior management level including the appointment of personnel one level below the Key Managerial Personnel. The same can be viewed at www.punjabchemicals.com.

32. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Regulation 22 of the Listing Regulations & Sub-section (9 & 10) of Section 177 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, interalia, provides, for all listed companies to establish a vigil mechanism called "Whistle Blower Policy" for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

As a conscious and vigilant organization, the Company believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In its endeavour to provide its employee a secure and a fearless working environment, the Company has established the "Whistle Blower Policy".

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

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

33. INTERNAL FINANCIAL CONTROLS:

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s. B.M. Varma & Co., Chartered Accountants, Chandigarh.

The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides bench marking controls with best practices in the industry.

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

The Audit Committee, Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

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

Your Company is committed in creating and maintaining a secure work environment where its employees, agents, vendors and partners can work and pursue business together in an atmosphere free of harassment, exploitation and intimidation. To empower women and protect women against sexual harassment, a policy for prevention of sexual harassment had been rolled out and Internal Complaints Committee as per legal guidelines had been set up. This policy allows employees to report sexual harassment at the workplace. The Internal Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair inquiry process with clear time lines. The Policy on Prevention of Sexual Harassment is also posted on the website of the Company.

During the year ended 31st March, 2019, no complaints pertaining to sexual harassment was received by the Company.

35. CEO/CFO CERTIFICATION:

In terms of the Listing Regulations, the Certificate duly signed by Shri Shalil Shashikumar Shroff, Managing Director(CEO) and Shri Vipul Joshi, Chief Financial Officer (CFO) of the Company was placed before the Board of Directors along with the annual financial statements for the year ended on March 31, 2019, at its meeting held on 10th May 2019. The said Certificate is also annexed to the Corporate Governance Report.

36. AUDITORS:

a) STATUTORY AUDITORS:

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

b) SECRETARIAL AUDITORS:

The Board upon recommendation of the Audit Committee has reappointed M/s. P.S. Dua & Associates, Company Secretaries (CP No. 3934), as the Secretarial Auditor to undertake the Secretarial Audit of the Company for the financial year 2019-20, in terms of Section 204 of the Companies Act, 2013 and Rules there under.

c) COST AUDITORS:

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

The Board of Directors upon recommendation of the Audit Committee appointed M/s Khushwinder Kumar & Co. Cost Accountant, Jalandhar (Firm Registration No.100123) as the Cost Auditor of the Company to conduct audit of the cost accounts of all the Divisions of the Company for the financial year 2019-20. They have submitted a certificate of eligibility for the appointment.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought in the ensuing Annual General Meeting.

The Cost Audit Report for the financial year 2017-18 has been filed and the report for the year under review will be filed before the due date.

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

Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares on which dividends remain unpaid /unclaimed for a period of 7 (seven) consecutive years or more has to be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Accordingly, the Company has transferred 1,09,179 Ordinary Shares of the face value of Rs. 10 per share to the demat account of the IEPF Authority during the financial year 2017-18. During the year 2018-19, no equity shares or dividend was required to be transferred to IEPF.

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

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

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

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

39. CHANGE IN THE NATURE OF BUSINESS:

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

40. DIRECTORS' RESPONSIBILITY STATEMENT:

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

a) in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) 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 as at March 31, 2019 and of the profit and loss of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

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

41. SECRETARIAL STANDARDS:

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

42. ACKNOWLEDGEMENT:

The Directors express their gratitude to the Banks, and various other agencies for the co-operation extended to the Company. The Directors also take this opportunity to thank the shareholders, customers, suppliers, lenders and other stakeholders for the confidence reposed by them in the Company.

Your Directors wish to place on record their appreciation for the contribution made by the employees at all levels. The Company's turnaround would not have been possible without their hardwork and continuous support

For and on behalf of the Board of Directors

MUKESH DAHYABHAI PATEL
CHAIRMAN
DIN:00009605

Place: Mumbai
Date: 10th May, 2019

ANNEXURE I TO THE DIRECTORS REPORT

FORM AOC.1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

(Rs. In lac)

Sl. No.	Name of the subsidiary	SD Agchem (Europe) NV		STS Chemicals (UK) Limited*	
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same Reporting Period		Same Reporting Period	
		Current Year	Previous Year	**Current Year**	Previous Year
2.	Reporting Currency	**Euro**	Euro	**Sterling Pounds**	Sterling Pounds
3.	Exchange rate as on 31.03.2019	**76.36**	79.80	**-**	91.45
4.	Share capital	**7000**	7000	**-**	2
5.	Reserves & Surplus	**(8690)**	(8530)	**-**	(136)
6.	Total Assets	**415**	444	**-**	-
7.	Total Liabilities	**2105**	1974	**-**	134
8.	Investments	**-**	-	**-**	-
9.	Turnover	**1120**	1614	**-**	-
10.	Profit/(loss) before Taxation	**(232)**	371	**-**	(1)
11.	Provision for Taxation	**-**	-	**-**	-
12.	Profit/(loss) after Taxation	**(232)**	371	**-**	(1)
13.	Proposed Dividend	**-**	-	**-**	-
14.	% of Shareholding	**100**	100	**-**	100
15.	Country	**Belgium**	Belgium	**U.K.**	U.K.

Note:
**During the year, STS Chemicals (UK) Ltd was dissolved on 15th May, 2018.*

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

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

MUKESH DAHYABHAI PATEL
Chairman

SHALIL SHROFF
Managing Director

AVTAR SINGH
Director (Operations & Business Development)

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

VIPUL JOSHI
Chief Financial Officer

Place: Mumbai
Date: 10th May, 2019

ANNEXURE 2 TO THE DIRECTORS REPORT

DETAILS OF CSR ACTIVITIES OF THE COMPANY FOR THE FINANCIAL YEAR 2018-19

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 CSR policy and projects or programs	The Company firmly believes in Corporate Social Responsibilities (CSR) and commits to take initiatives to contribute to harmonious and suitable development of the Society and its inhabitants. The Company shall pursue CSR activities to carry out the welfare work directly and/or through other Institutions involved in welfare of society in general. The Company shall give preference to local areas of the manufacturing sites of the Company. The activities undertaken during the year 2018-19 included the followings: 1. Renovation of School Buildings, Upgrading of School Infrastructure, Health Care, Clean Water, Construction of Shed in Gaushala and Sanitation. 2. Organized Medical Camps for preventive Health Care and Eye Operation Camps. The Company's CSR Policy can be viewed at the website of the Company at www.punjabchemicals.com.
2	The Composition of CSR Committee	The Committee comprises of: a) Shri Mukesh Dahyabhai Patel, Chairman b) Shri Shalil Shashikumar Shroff, Managing Director c) Capt. Surjit Singh Chopra (Retd.), Director d) Smt. Aruna Bhinge, Director (w.e.f. 29.05.2018)
3	Average net profit of the Company forthe last three financial years for the purpose of computation of CSR amount.	Rs. 2543.67 lac.
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	Rs. 50.87 lac.
5 a) b)	Details of CSR spent during the financial year: Total amount to be spent for the financial year. Amount unspent, if any.	 Rs. 50.87 lac. -
c)	Manner in which the amount spent during the year is detailed below.	

	CSR Project / Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local areas (2) State and district where projects or programs were undertaken	Amount outlay (Budget) project or programs wise	Amount actual Spent on Programs/ Projects	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing Agency
a.	Improvement in infrastructure, upgradation of buildings, class rooms, play ground, sanitation & water facility in Govt. Schools as per their requirement in the nearby villages of manufacturing sites and corporate office.	Education	Local areas, Distt. Mohali, Punjab and Mumbai	27.00	27.82	27.82	Direct
b.	Three General Medical Camps were organized in the surrounding villages of Derabassi and Lalru during the year, where 1100 patients were examined by doctors of different fields.	Preventive Health Care	Local areas, Distt. Mohali, Punjab	6.50	6.45	6.45	Direct

c.	Two Eye Check up Camps were organized in the surrounding villages of Derabassi and Lalru during the year, where 700 patients were examined and 162 patients operated (Eye Cataract Surgery). 42 patients were treated for other serious ailments.	Preventive Health Care	Local areas, Distt. Mohali, Punjab	8.50	8.67	8.67	Direct
d.	Beautification of National Highway Bridge Pillar and plantation.	Health care Sanitation	Focal Point, ETP.	3.00	3.20	3.20	Direct
e.	Construction of CC Flooring at Maghra Gaushala, Lalru.	Health care Sanitation	Lalru	5.50	5.82	5.82	Direct
		TOTAL		**50.50**	**51.96**	**51.96**	
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.	Nil					
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policies of the Company.	The CSR Committee of the Company has confirmed that they have implemented and monitored the CSR Policy in compliance with CSR objectives and policies of the Company					

SHALIL SHROFF
MEMBER, CSR COMMITTEE
DIN: 00015621

MUKESH DAHYABHAI PATEL
CHAIRMAN, CSR COMMITTEE
DIN:00009605

ANNEXURE 3 TO THE DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Form MGT 9

I. REGISTRATION AND OTHER DETAILS:	
CIN	L24231PB1975PLC0047063
Registration Date	November 19, 1975
Name of the Company	Punjab Chemicals and Crop Protection Limited
Category/Sub-Category of the Company	Public Company / Limited by shares
Address of the Registered office and contact details	Milestone-18, Ambala-Kalka Road, Village & Post office Bhankharpur, Derabassi, District SAS Nagar (Mohali) -140201 Tel.: 01762-280086, 280094 Fax: 01762-280070
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Alankit Assignments Limited RTA Division, 1E/ 13, Alankit Heights, Jhandewalan Extension, New Delhi- 110 055 Tel.: 011-42541234, 23541234 Fax: 011-23552001

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the Business Activities contributing 10% or more of the total turnover of the Company (on standalone basis) are given below:

Sl No.	**Name and Description of main products/ services**	**NIC Code of the Product/ Service**	**% to total turnover of the Company**
1	Chemicals (Performance Chemicals)	20119, 20211	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Name and Address of the Company	**CIN/ GLN**	**Holding/ Subsidiary/ Associate**	**% of shares held**	**Applicable Section**
SD Agchem (Europe) NV Uit breiding straat 84/B32600, Berchem(Antwerp) Belgium	N.A.	Subsidiary Company	100%	2 (87)

STS Chemicals (UK) Ltd. has been dissolved w.e.f. 15th May, 2018. Now the Company has only one subsidiary as aforesaid.

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY

i) Category- wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2018)				No. of Shares held at the end of the year (March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian :									
a) Individual/ HUF	8,91,572	0	8,91,572	7.27	8,91,572	0	8,91,572	7.27	0
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0
d) Bodies Corporate	40,17,318	0	40,17,318	32.76	40,17,318	0	40,17,318	32.76	0
e) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0
f) Any Other	0	0	0	0.00	0	0	0	0.00	0
Sub Total (A) (1)	49,08,890	0	49,08,890	40.03	49,08,890	0	49,08,890	40.03	0
(2) Foreign :									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0
b) Other- Individuals	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
d) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0
e) Any Other	0	0	0	0.00	0	0	0	0.00	0
Sub Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0
Total Shareholding of Promoters (A) = (A) (1) + (A) (2)	**49,08,890**	**0**	**49,08,890**	**40.03**	**49,08,890**	**0**	**49,08,890**	**40.03**	**0**
B. Public Shareholding									
(1) Institutions :									
a) Mutual Funds/ UTI	562	224	786	0.01	786	0	786	0.01	0
b) Banks/ FI	18,932	7	18,939	0.15	16,957	7	16,964	0.14	-0.01
c) Central Govt.	1,09,179	0	1,09,179	0.89	1,09,172	0	1,09,172	0.89	0
d) State Govt.	1,22,027	0	1,22,027	1.00	1,22,027	0	1,22,027	1.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	11,832	0	11,832	0.10	11,832	0	11,832	0.10	0
g) FIIs	0	0	0	0.00	0	0	0	0.00	0
h) Foreign Portfolio Investor’s	3,04,676	3913	3,08,589	2.52	3,95,676	3913	3,99,589	3.26	0.74
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0
Sub-Total (B) (1)	**5,67,208**	**4,144**	**5,71,352**	**4.66**	**6,56,450**	**3,920**	**6,60,370**	**5.39**	**0.73**
(2) Non-Institutions :									
a) Bodies Corporate	42,55,264	4,897	42,60,161	34.74	42,98,927	4,409	43,03,336	35.09	0.35
i) Indian									
ii) Overseas									

b) Individuals i) Individual shareholders holding nominal share capital up-to Rs. 2 lakh	15,78,751	1,42,494	17,21,245	14.04	14,37,204	1,16,050	15,53,254	12.67	-1.37
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	4,97,396	0	4,97,396	4.06	4,91,016	0	4,91,016	4.00	-0.06
c) Others (specify)									
i) Trust	3,700	0	3,700	0.03	22,575	0	22,575	0.18	0.15
ii) Directors & Relatives	52,193	0	52,193	0.43	51,293	0	51,293	0.42	-0.01
iii) Non Resident Indian	35,765	232	35,997	0.29	55,683	232	55,915	0.46	0.17
iv) HUF	2,11,251	0	2,11,251	1.72	2,15,536	0	2,15,536	1.76	0.04
Sub-Total (B)(2)	**66,34,320**	**1,47,623**	**67,81,943**	**55.31**	**65,72,234**	**1,20,691**	**66,92,925**	**54.58**	**-0.73**
Total Public Shareholding (B) = (B) (1) + (B) (2)	**72,01,528**	**1,51,767**	**73,53,295**	**59.97**	**72,28,684**	**1,24,611**	**73,53,295**	**59.97**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0
Grand Total (A + B + C)	**1,21,10,418**	**1,51,767**	**1,22,62,185**	**100.00**	**1,21,37,574**	**1,24,611**	**1,22,62,185**	**100.00**	**0.00**

ii) Shareholding of Promoters:

Shareholders Name	**Shareholding at the biginning of the year (April 1, 2018)**			**Shareholding at the end of the year (March 31, 2019)**			
	No. of Shares	**% of total Shares of the company**	**% of Shares Pledged/ encumbered to total shares**	**No. of Shares**	**% of total Shares of the company**	**% of Shares Pledged/ encumbered to total shares**	**% change in share-holding during the year**
Rupam Shalil Shroff	1,83,191	1.49	1.49	1,83,191	1.49	0.00	Nil
Rupam Shalil Shroff	100	0.00	0.00	100	0.00	0.00	Nil
Hemsil Trading & Manufacturing Pvt. Ltd.	40,17,318	32.76	32.62	40,17,318	32.76	0.00	Nil
Hemal Raju Shete	63,750	0.52	0.00	63,750	0.52	0.00	Nil
Ishika S. Shroff	27,894	0.23	0.00	27,894	0.23	0.00	Nil
Malvika S. Shroff	35,340	0.29	0.00	35,340	0.29	0.00	Nil
Salil S. Shroff HUF	77,652	0.63	0.00	77,652	0.63	0.00	Nil
Shalil Shashikumar Shroff	1,49,062	1.22	0.00	1,49,062	1.22	0.00	Nil
Shaila Shashikumar Shroff	1,24,002	1.01	0.00	1,24,002	1.01	0.00	Nil
Shalil Shashikumar Shroff	22,125	0.18	0.18	22,125	0.18	0.00	Nil
Shalil Shashikumar Shroff	1,67,956	1.37	0.00	1,67,956	1.37	0.00	Nil
Shalil Shashikumar Shroff	40,500	0.33	0.33	40,500	0.33	0.00	Nil
TOTAL	**49,08,890**	**40.03**	**34.64**	**49,08,890**	**40.03**	**0.00**	**Nil**

iii) Change in Promoters' Shareholding (Please specify, if there is no change)				
	Shareholding at the beginning of the year		**Cumulative Shareholding during the year**	
	No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
At the beginning of the year	49,08,890	40.03%	49,08,890	40.03%
Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.)	NIL		NIL	
At the end of the year	49,08,890	40.03%	49,08,890	40.03%

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)							
Name	**Shareholding at the beginning of the year**		**Date**	**Increase/ Decrease in shareholding**	**Reason**	**Cumulative Shareholding during the year**	
	No. of shares	**% of total shares of the Company**				**No. of Shares**	**% of total shares of the Company**
1. Gowal Consulting Services Pvt. Ltd*	30,00,000	24.47	Nil	Nil	Nil	30,00,000	24.47
2. Excel Industries Ltd.*	5,84,977	4.77	Nil	Nil	Nil	5,84,977	4.77
3. Arial Holdings1*	2,84,676	2.32	07.12.2018	5,000	Mkt. Purchase	2,89,676	2.36
			14.12.2018	24,271	Mkt. Purchase	3,13,947	2.56
			21.12.2018	2,729	Mkt. Purchase	3,16,676	2.58
4. Punjab State Industrial Development Corporation Ltd*	1,22,027	1.00	Nil	Nil	Nil	1,22,027	1.00
5. Jayesh Pratap Chand Shah*	1,43,321	1.17	20.07.2018	-321	Mkt. Sale	1,43,000	1.17
6. Javeri Fiscal Services Ltd.*	1,49,963	1.22	06.04.2018	5,185	Mkt. Purchase	1,55,148	1.27
			13.04.2018	132	Mkt. Purchase	1,55,280	1.27
			27.04.2018	-10,000	Mkt. Sale	1,45,280	1.18
			25.05.2018	-16,000	Mkt. Sale	1,29,280	1.05
			01.06.2018	-18,000	Mkt. Sale	1,11,280	0.91
			08.06.2018	-10,000	Mkt. Sale	1,01,280	0.83
			29.06.2018	1,500	Mkt. Purchase	1,02,780	0.84
			06.07.2018	-3,500	Mkt. Sale	99,280	0.81
			13.07.2018	-50,848	Mkt. Sale	48,432	0.39
			20.07.2018	4.902	Mkt. Purchase	53,334	0.43
			27.07.2018	11,946	Mkt. Purchase	65,280	0.53
			03.08.2018	3,175	Mkt. Purchase	68,455	0.56
			10.08.2018	325	Mkt. Purchase	68,780	0.56
			24.08.2018	41,500	Mkt. Purchase	1,10,280	0.90
			30.08.2018	4,000	Mkt. Purchase	1,14,280	0.93
			07.09.2018	1,000	Mkt. Purchase	1,15,280	0.94
			13.09.2018	450	Mkt. Purchase	1,15,730	0.94
			21.09.2018	-16,548	Mkt. Sale	99,182	0.81
			29.09.2018	-37,0.25	Mkt Sale	62,157	0.51
			12.10.2018	638	Mkt. Purchase	62,795	0.51
			19.10.2018	-22,425	Mkt Sale	40,370	0.33
			26.10.2018	-24,900	Mket Sale	15,470	0.13

Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
			02.11.2018	5,250	Mkt. Purchase	20,720	0.17
			09.11.2018	675	Mkt. Purchase	21.395	0.17
			16.11.2018	-5,154	Mkt Sale	16,241	0.13
			23.11.2018	4,415	Mkt. Purchase	20,656	0.17
			30.11.2018	190	Mkt. Purchase	20,846	0.17
			07.12.2018	-228	Mkt. Sale	20,618	0.17
			14.12.2018	-1,338	Mkt. Sale	19,280	0.16
			21.12.2018	-5,000	Mkt. Sale	14.280	0.12
			28.12.2018	5,500	Mkt. Purchase	19,780	0.16
			31.12.2018	5,500	Mkt. Purchase	25,280	0.21
			04.01.2019	500	Mkt. Purchase	25,780	0.21
			11.01.2019	-1,090	Mkt. Sale	24,690	0.20
			18.01.2019	590	Mkt. Purchase	25,280	0.21
			01.02.2019	-3,157	Mkt. Sale	22,123	0.18
			08.02.2019	-13,023	Mkt. Sale	9,100	0.07
			15.02.2019	413	Mkt. Purchase	9,513	0.08
			22.02.2019	1,553	Mkt. Purchase	11,066	0.09
			01.03.2019	4,161	Mkt. Purchase	15,227	0.12
			08.03.2019	-13,284	Mkt. Sale	1,943	0.01
			15.03.2019	-1,163	Mkt. Sale	780	0.01
			29.03.2019	78,500	Mkt. Purchase	79,280	0.65
7. Investor Education and Protection fund Authority (MCA)*	1,09,179	0.89	12.10.2018	-7	Release from IEPF	1,09,172	0.89
8. Kwality Alutrade Pvt. Ltd.	54,000	0.44	20.04.2018	-3,000	Mkt. Sale	51,000	0.42
			27.04.2018	-8,000	Mkt. Sale	43,000	0.35
			11.05.2018	3,000	Mkt. Purchase	46,000	0.38
			08.06.2018	5,000	Mkt. Purchase	51,000	0.42
			15.06.2018	18,500	Mkt. Purchase	69,500	0.57
			29.06.2018	1,000	Mkt. Purchase	70,500	0.57
			06.07.2018	-1,746	Mkt. Sale	68.754	0.56
			13.07.2018	-6,000	Mkt. Sale	62,754	0.51
			20.07.2018	5,774	Mkt. Purchase	68,528	0.56
			27.07.2018	-986	Mkt. Sale	67,542	0.55
			03.08.2018	6,631	Mkt. Purchase	74,173	0.60
			21.09.2018	278	Mkt. Purchase	74,451	0.61
			12.10.2018	5,260	Mkt. Purchase	79,711	0.65
			30.11.2018	1,725	Mkt. Purchase	81,436	0.66
			07.12.2018	-5,000	Mkt. Sale	76,436	0.62
			14.12.2018	1,904	Mkt. Purchase	78,340	0.64
			21.12.2018	-2,791	Mkt Sale	75,549	0.62
			28.12.2018	2,197	Mkt. Purchase	77,746	0.63
			31.12.2018	-200	Mkt. Sale	77,546	0.63
			04.01.2019	1,294	Mkt. Purchase	78,840	0.64
			11.01.2019	-6715	Mkt Sale	72,125	0.59
			18.01.2019	-2507	Mkt. Sale	69,618	0.57
			25.01.2019	735	Mkt Purchase	70,353	0.57

Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
			01.02.2019	600	Mkt. Purchase	70,953	0.58
			08.02.2019	978	Mkt. Purchase	71,931	0.59
			22.02.2019	1,463	Mkt. Purchase	73,394	0.60
			01.03.2019	-2,464	Mkt. Sale	70,930	0.58
			15.03.2019	533	Mkt. Purchase	71,463	0.58
			22.03.0219	1,050	Mkt. Purchase	72,513	0.59
			29.03.2019	200	Mkt. Purchase	72,713	0.59
9. Nitiket Investment Pvt. Ltd.	49,000	0.40	15.06.2018	9,508	Mkt. Purchase	58,508	0.48
			22.06.2018	6,492	Mkt. Purchase	65,000	0.53
			13.07.2018	10,000	Mkt. Purchase	75,000	0.61
10. C. Mackertich*	75,000	0.61	Nil	Nil	NA	75,000	0.61

Note: *Common top 10 Shareholding as on 31st March 2018.

v) Shareholding of Directors and Key Managerial Personnel

Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
Shalil Shashi Kumar Shroff*	2,30,581	1.88%	Nil	Nil	Nil	2,30,581	1.88%
Mukesh Dahyabhai Patel	400	0.00%	Nil	Nil	Nil	400	0.00%
Avtar Singh	7,911	0.06%	15-03-2019	-900	Mkt. Sale	7,011	0.05%
Shiv Shankar Shripal Tiwari*	11,589	0.09%	Nil	Nil	Nil	11,589	0.09%
Vipul Harsukhlal Joshi	1,114	0.009%	Nil	Nil	Nil	1,114	0.009%
Punit Kumar Abrol	1	0.00%	Nil	Nil	Nil	1	0.00%

Note:* Shareholding in the first individual name of the Director has been considered here.

V. INDEBTEDNESS				**(Rs : in Lac)**
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	11,070	616	-	11,686
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	66	-	-	66
Total (i + ii + iii)	**11,136**	**616**	**-**	**11,752**
Change in Indebtedness during the year				
Addition	176	9,015	-	9,191
Reduction	11,053	681	-	11,734
Net Change	**11,229**	**9,696**	**-**	**20,925**
Indebtedness at the end of the financial year				
i) Principal Amount	193	8,950	-	9,143
ii) Interest due but not paid	-	134	-	134
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**193**	**9,084**	**-**	**9,277**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole Time Directors and/ or Manager **(Rs. in Lac)**

Particulars of Remuneration	**Shalil Shashikumar Shroff Managing Director**	**Avtar Singh Whole-Time Director**	**Total Amount**
1. Gross Salary			
a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	127	102	229
b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	7	10	17
c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	Nil	Nil	Nil
2. Stock Options	Nil	Nil	Nil
3. Sweat Equity	Nil	Nil	Nil
4. Commission	Nil	Nil	30
- as % of profit	Nil	Nil	Nil
- others, specify	Nil	Nil	Nil
5. Others, please specify			
a) Retiral benefits	Nil	Nil	Nil
TOTAL (A)	**134**	**112**	**246**

Ceiling : 5% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013 to each of the Executive Directors.
The Board has recommended / approved Commission of Rs. 30 Lac to Executive Directors (Shri Shalil Shashi kumar Shroff Rs. 20 Lac and Shri Avtar Singh Rs. 10 Lac) for the year 2018-19 to be paid/ distributed in the current financial year.

B. Remuneration to Other Directors				
1. Independent Directors				(Rs. In lac)
Particulars of Remuneration	**Vijay Rai**	**Mukesh Dahyabhai Patel**	**Sheo Prasad Singh**	**Total amount**
- Fee for attending Board/ Committee Meetings	2.85	3.15	2.25	8.25
- Commission	2.25	2.25	1.25	5.75
- Others, please specify	Nil	Nil	Nil	Nil
TOTAL (B)(1)	5.10	5.40	3.50	14.00

2. Other Non-Executive Directors					(Rs. In lac)
Particulars of Remuneration	**Capt. Surjit Singh Chopra**	**Ghattu Ramanna Narayan***	**Shivshankar Shripal Tiwari**	**Aruna Bhinge**	**Total amount**
- Fee for attending Board/ Committee Meetings	1.05	0	1.05	1.80	3.90
- Commission	1.25	1.00	1.00	Nil	3.25
- Others, please specify	Nil	Nil	Nil	Nil	Nil
TOTAL (B)(2)	**2.30**	**1.00**	**2.05**	**1.80**	**7.15**

Ceiling: Sitting fees and commission paid to Directors who are not Executive Directors is within the limits, as per the Companies Act, 2013.
The Board has recommended / approved Commission of Rs. 20 Lac to Non Executive Directors for the year 2018-19 to be paid/ distributed in the current financial year as decided by the Chairman.
The commission was given for the financial year 2017-18, Mrs. Sindhu Seth was also given Rs. 1,00,000 as commission for the year 2017-18. She resigned as Director of the Company w.e.f. 29th May, 2018.
* Shri Ghattu Ramanna Narayan is the Chairman Emeritus of the Company.

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD				(Rs. In lac)
Particulars of Remuneration	**Punit Kumar Abrol Company Secretary**	**Vipul Harsukhlal Joshi Chief Financial Officer**	**Jain Parkash Sr. V.P. Works**	**Total amount**
1. Gross Salary				
a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	62	81	64	207
b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	3	0	3	6
c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
2. Stock Options	Nil	Nil	Nil	Nil
3. Sweat Equity	Nil	Nil	Nil	Nil
4. Commission				
- as % of profit	Nil	Nil	Nil	Nil
- others, specify	Nil	Nil	Nil	Nil
5. Others, please specify				
a) Retiral benefits	Nil	Nil	Nil	Nil
TOTAL (C)	**65**	**81**	**67**	**213**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty/ Punishment/ Compounding fees imposed**	**Authorities (RD/ NCLT/ Court)**	**Appeal made if any (give details)**
A. COMPANY	**NOT APPLICABLE**				
Penalty					
Punishment					
Compounding					
B. DIRECTORS	**NOT APPLICABLE**				
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT	**NOT APPLICABLE**				
Penalty					
Punishment					
Compounding					

ANNEXURE 4 TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2019 (Audit Period) 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, 2019 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;

   - There was no Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment as informed to us.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not Applicable to the Company during the period under review.

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

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

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

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

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

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

(i) Secretarial Standards with respect to the Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement entered into with the National Stock Exchange of India Ltd. and BSE Limited.

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

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

a) The Boilers Act, 1923 and The Indian Boilers (Amendment) Act, 2007;

b) The Poisons Act, 1919;

c) Insecticides Act, 1968;

d) Drugs and Cosmetics Act, 1940;

e) The Environment (Protection) Act, 1986;

f) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;

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

h) The Air (Prevention & Control of Pollution) Act, 1981;

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The 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 notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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, if any, were captured and recorded as part of the minutes.

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

We further report that during the review period:

1. The Company has passed by way of postal ballot, the special resolution for:-
   a) Continuation of directorship of Capt. S.S. Chopra (Retd.) (DIN: 00146490) as a Non-Executive Non Independent Director of the Company, who has already attained the age of 75 years.

For **P. S. Dua & Associates**
Company Secretaries
(CP No. 3934)
FCS No. 4552

Place: - Ludhiana
Date: - 10.05.2019

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

Annexure A to Secretarial Audit Report

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

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained and relied on the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **P. S. Dua & Associates**
Company Secretaries
(CP No. 3934)
FCS No. 4552

Place: - Ludhiana
Date: - 10.05.2019

ANNEXURE 5 TO THE DIRECTORS' REPORT

PARTICULARS OF CONTRACTS/ ARRANGEMENTS MADE WITH RELATED PARTIES

FORM 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)

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

1.	**Details of contracts or arrangements or transactions not at arm's length basis:**	
a)	Name(s) of the related party and nature of relationship	There were no contracts or arrangements or transactions entered into during the year ended March 31st, 2019, which were not at arm's length basis.
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188	
2.	**Details of material contracts or arrangement or transactions at arm's length basis :**	
a)	Name(s) of the related party and nature of relationship	There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2019.
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Date(s) of approval by the Board	
e)	Amount paid as advances, if any	
f)	Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188	

For and on behalf of the Board of Directors

MUKESH DAHYABHAI PATEL
CHAIRMAN
DIN:00009605

Place : Mumbai
Date : 10th May, 2019

ANNEXURE 6 TO THE DIRECTORS' REPORT

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

A) CONSERVATION OF ENERGY

a) *Steps taken for Conservation of Energy and Impact:*

- Modifications of the processes, wherever feasible along with re-engineering of the plants were carried out to reduce power and steam consumption.
- 7 new VFD were installed on equipment with average running of 15 hour per day to save power.
- Old Air Compressors replaced with new oil free Air Compressors of high efficiency.
- Use of cooling water instead of chilled water in winter season.
- Reduced running hours of Bore Well pump due to recycling of treated effluent.
- Continue to use LED lamps instead of CFL lamps.

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

The working was done on a proposal to use pet coke in existing husk/coal fired boilers to reduce cost of generation of steam but could not implement due to stringent norms of emission monitored by Pollution Boards. However, continuous study is being carried out to find out the alternate source of energy.

c) Capital investment on energy conservation equipments:

The Company spent Rs. 35 lac (approx.) specifically on energy conservation items and equipments.

The Company regularly monitors the energy consumption and wherever possible the required investment is done to conserve / reduce energy consumption.

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

B. TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption;

To improve upon the raw material efficiency and better quality of the finished products, continuous upgradation of the technology is undertaken.

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

The simplified and improved processes reduce the cost of production with better quality.

Environment friendly processes are tried/developed.

Various foreign and domestic customers have carried out the audit of manufacturing sites and approved the same to get the products manufactured.

(iii) Technology imported during the last 3 years:

The Company has not imported any technology.

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

	2018-19	**2017-18**
a) Capital	98	56
b) Recurring	59	79
c) Total	157	135
d) Total R&D expenditure as %age of total turnover	0.25%	0.28%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

(Rs. in lac)

	2018-19	**2017-18**
i) Earned	41115	28955
ii) Used	6693	9231

For and on behalf of the Board of Directors

MUKESH DAHYABHAI PATEL
CHAIRMAN
DIN:00009605

Place : Mumbai
Date : 10th May, 2019

ANNEXURE 7 TO THE DIRECTORS' REPORT

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

Sl. No.	Requirements	Disclosure			
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18 and percentage increase / decrease in the remuneration of each Director.	**Director's Name**	**Remuneration Rs. in lac**	**Ratio to MRE**	**% increase/ (decrease) in remuneration in 2018-19 over 2017-18**
		Shri M.D. Patel	5.14	1.28	80.35%
		Shri Shalil Shroff* Managing Director	134.00	33.34	40.55%
		Shri Vijay Rai	5.10	1.27	100.00%
		Capt. S. S. Chopra	2.30	0.57	155.56%
		Smt. Aruna R. Bhinge	1.80	0.45	NA
		Shri Sheo Prasad Singh	3.50	0.87	112.12%
		Shri S. S. Tiwari	2.05	0.51	127.78%
		Shri Avtar Singh* Whole Time Director	112.00	27.87	20.92%

*Paid & Provided within the Ceiling as per the Companies Act, 2013

During the year 2018-19, the Directors are paid Commission for the year 2017-18, which is subsequntly increasing the remuneration of Directors for the year 2018-19. Smt. Aruna R. Bhinge was appointed during the year. Hence no commission was paid to her for the year 2017-18.

2.	The percentage increase in remuneration of Chief Financial Officer and Company Secretary in the financial year 2017-18.	**Name**	**Designation**	**Remuneration (Rs. in lac)**	**% increase in remuneration**
		Shri Punit K Abrol	Company Secretary	65	18.16%
		Shri Vipul Joshi	Chief Financial Officer	81	19.82%

3.	The percentage increase in the median remuneration of employees in the financial year.	**Median FY 2018-19 (In Rs.)**	**Median FY 2017-18 (In Rs.)**	**% increase/ decrease**
		401,888	495,896	-18.96%

4.	The number of permanent employees on the roll of the Company.	**As on 31.03.2019**	**As on 31.03.2018**
		971	943

5.	Average percentile increase already made in the salaries of employees other than the managerial remuneration in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	**Aggregate of remuneration paid to Employees in FY 2018-19 (Rs. in lac)**	**Aggregate of remuneration paid to Employees in FY 2017-18 (Rs. in lac)**	**% increase / decrease**
		5,748	4,443	29.37%
		The average increase in salary of employees other than managerial personnel is 29.37 percent from the previous year. The increment given to each individual employee is based on his experience, performance, market trend and contribution to the Company's progress. The increase in managerial remuneration is as per the remuneration approved by the Members, based on various parameters like market trend, financial position of the Company and the responsibilities.		

6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid to Directors, KMP's and other employees during the year is as per the Remuneration Policy of the Company.

Note:

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

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

Employee name, designation and age	Educational Qualification	Remuneration (In Rs.)	Date of joining and experience	Previous employment and designation	Relation with any other Director/ Manager
Shalil Shroff - Managing Director 54 years	Management Diploma from U.S.A. and B.Com	13,361,283	15.01.1992 30 years	STS Chemicals Limited	Son in law of Capt. S. S. Chopra
Avtar Singh - Director (Operations) & Business Development 60 years	B.Sc.	11,207,926	20.12.1980 38 years	Gharda Chemists (P) Ltd. Jr. Chemist	NA

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. BUSINESS REVIEW:

1.1. Business Segment- Agro Chemicals and other Chemicals

a) Industry Structure and Development:

India has emerged as the fastest growing economy and is expected to be one of the top three economic powers of the world over the next 10-15 years. The growth of the economy is backed by a strong democracy, reforms on better infrastructure, number of technology start-ups, increased labour force participation, higher education and improved health care facilities at the affordable cost. These parameters have had a positive affect and paved the way to the Industrial growth.

The investments in the different sectors of the economy have risen on the basis of the aforesaid reforms and consequently improvement in the economic scenario. One of the important sectors in which the industry grew is “Agro Chemicals”. The industry produces various chemical products used in the agriculture like pesticides including insecticides, fungicides, herbicides and other related speciality and other chemicals for different formulations. Indian manufacturers have traditionally concentrated on the generic pesticides market. India is one of largest producers of pesticides in South East Asia after China. In India, both organized and unorganized sectors have contributed to the growth of this industry. Indian manufacturing Companies are catering to both the domestic and overseas markets.

The Company is in the business of the manufacture of Performance Chemicals,technical Agrochemicals,Speciality and other chemicals. The Company has presence in the overseas market because of its quality and price competitiveness. Therefore, the Company is confident that its business segment has high potential for growth.

b) Opportunities and threats:

In the year 2017-18 Indian Exports of inorganic, organic and agro chemicals provisionally stood at US$ 10.67 billion, an increase of 38 per cent year-on-year. Indian agrochemical products are exported to USA, France, UK, other EU countries and some countries in South America, Asia and Africa. As we meet a small part of the demand we are upbeat about the prospects of exports.

Further, 70% of the molecules are off patent and hence there is no threat to Indian players with respect to patent regime so we should be finding markets for new molecules as well.

Other constraints in exponential growth of Agro Chemical manufacturing are stringent environment protection, regulations, scale of operations and requirement of high working capital coupled with limited investment in Research and Development.

c) Outlook:

The producers who set up integrated world class manufacturing facilities, employing state of the art process and technologies developed through in-house Research and Development will survive in the fiercely competitive market. We believe we have the requisite resources in place to meet the challenges.

The market for the Company products due to good quality and meeting the time line of the customers has been well established. The export has risen to Rs. 411 crore during the year which is 64% of the total sales. We believe exports of our products will keep increasing. Therefore, barring unforeseen circumstances, the Company maintains the positive and better outlook.

d) Risks and concerns:

Following factors are considered as critical for the future growth in this industry:

i. To have a global reach: There are many countries particularly high priced US and European markets, which offer opportunities.

ii. To obtain Global Registrations: It is compulsory to comply with various rules and regulations like registrations to be allowed local sales in the country. The Company has to get global registration for the new molecules.

iii. To have extensive distribution Chanel.

iv. To have a diversified and enlarge product portfolio.

The Management is conscious of these risks and concerns and is taking required steps wherever possible to address the issues.

2. INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has appointed a Chartered Accountant firm to conduct the routine internal audit of all the purchases, inventory, accounts and other statutory matters. The quarterly report submitted by the Internal Auditor is placed before the Audit Committee and the Board. The observations, if any, are reviewed with the management for improvement.

The Company has a robust Internal Financial Control System. On the basis of the detailed study by an Independent Agency, the risks in the different departments were identified. Accordingly, the Internal Financial Controls (IFC) were established to mitigate those risks. The controls have been divided into key and non-key controls. The Internal Auditor has been appointed to find out the adequacy and effectiveness of the internal financial controls.

The Internal Auditor reviews all the departments and assess theinternal controls, identifies risks involved in each step of work flow and categorize risks into financial, operational, fraud and compliance. The internal audit or performs the system of walk through and / or test the effectiveness of existing controls to find out any exception to the controls. The exception, if found, is reported to the management to take the remedial action.

Based on the work performed by the internal, statutory and secretarial auditors and the reviews carried out by the Management and the relevant Board Committees, the Directors are of the opinion that the Company has in place, adequate internal financial controls, with reference to financial statements, commensurate with the size and nature of the business of the Company. During the year, such controls were tested and no reportable material weakness in the operation was observed.

The Company has the Risk Assessment Policy and the concerned Heads of various Departments are responsible to monitor the risks and take effective measures to mitigate them. The report of responsible persons is placed before the respective committee and the Board of Directors.

The financial statements are prepared in conformity with the established Accounting Standards and Principles.

3. FINANCIAL PERFORMANCE AND ANALYSIS:

The revenue from operations and other income of the Indian Operations (Standalone) during the financial year under review was Rs. 651 crore against Rs. 502 crore and a profit before tax of Rs. 32.21 crore against Rs. 17.48 crore of the previous year. It includes the job work income of Rs. 39.70 crore as against Rs. 51.33 crore of previous year.

Revenue generation from India was higher at Rs. 229 crore against Rs. 199 crore of previous year and exports of Rs. 411 crore against Rs. 291 crore of previous year. The net worth of the Company increased to Rs. 101 crore as on 31st March, 2019 against Rs. 82 crore as on 31st March, 2018.

During the year under review STS Chemicals (UK) Ltd., was disposed off. As on 31st March, 2019, the Company has only one wholly owned overseas subsidiary namely- SD AgChem (Europe) NV, Belgium.

The Consolidated results includes the results of SDAgChem (Europe) NV along with Standalone Indian Operations.

The summary of operating results of the subsidiary company has been given in the Directors' Report.

The consolidated accounts show the total revenue of Rs. 650 crore with a profit before tax of Rs. 28.76 crore in the financial year 2018-19 against the total income of Rs. 507 crore and profit of Rs. 24.26 crore in the previous year.

All the loans availed from the Banks have been repaid after one time settlement and the Company is now out of Corporate Debt Restructuring (CDR) mechanism. The Company has availed of Inter Corporate Deposits for the repayment of loans to the Banks.

The Company was managing the working capital requirement with the support of major customers by taking advances or immediate payment upon supply of products. However, the Company is now in the process of availing working capital and other loans from banks for expansion and upgradation of plants.

Some of the other details of Financial Statements are as follows:

i) Shareholders' Funds:

On Standalone basis, the shareholders' fund has increased to Rs. 101.20 crore as on 31st March, 2019 against Rs. 82.13 crore as on 31st March, 2018. On Consolidated basis, the shareholders' fund has increased to Rs. 90.86 crore as on 31st March, 2019 against Rs. 74.17 crore as on 31st March,2018.

ii) Borrowings:

In view of One Time Settlement (OTS) and repayment of all debts of banks, the long term borrowings have reduced to Rs. 11 crore in the year under review against Rs. 48.19 crore as on 31st March, 2018, whereas, the short term borrowings have been increased to Rs. 79.50 crore as on 31st March, 2019 as against Rs. 52.81 crore of 31st March, 2018 due to availing of Inter Corporate loans.

iii) Earning Per Equity Share:

The earning per equity share was Rs. 16.51 as on 31st March, 2019 against Rs. 8.48 as on 31st March, 2018 on standalone basis under Ind AS preparation.

iv) Revenue from Operations of Various Divisions:

During the year, the turnover of Agrochemicals Division, Derabassi was Rs. 495 crore against Rs. 371 crore of last year. The Speciality and Other Chemical Division at Lalru, the revenue increased to Rs. 115 crore from Rs. 92 crore. The turnover of Pune unit including phosphorous and its compounds was Rs. 28 crore against Rs. 25 crore of last year.

v) Other key financial indicators:

Ratios	2018-19	2017-18	% change
Debtors Turnover (no of days)	12.44	11.02	12.85%
Inventory Turnover (no. of days)	5.37	4.87	10.20%
Interest Coverage Ratio	3.38	1.81	86.48%
Current Ratio	0.75	0.78	-4.11%
Debt Equity Ratio	2.80	3.48	-19.67%
Operating Profit Margin (%)	8.86%	6.32%	40.22%
Net Profit Margin (%)	3.11%	2.07%	50.27%
Return on net Worth	0.20	0.13	58.02%

The increase in ratios was primarily on account of higher profit margin due to increase in sales turnover by 30% of major products.

The Company's exports was Rs. 411 crore (64% of sales) against Rs. 291 crore of last year, which is higher by 41%.

4. HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS:

The employee strength of the Company as on 31st March, 2019 was 971. The relations with the employees of the Company remained cordial and harmonious.

The Company encourages the employees to upgrade their knowledge and skills. The training sessions on various working parameters are conducted in routine apart from allowing employees for outside specialized training, wherever required.

5. ACCOUNTING TREATMENT:

Audited Financial Statements for the year ended 31st March, 2019 are in compliance with the Indian Accounting Standards (Ind-AS) prescribed under section 133 of the Companies Act, 2013.

6. CAUTIONARY STATEMENT:

Statements in "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions are forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. The actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, finished goods prices, raw materials cost and availability, foreign exchange market movements, changes in Governmental regulations and tax structure, economic and political developments within India and the countries with which the Company has business.

Therefore, the Company assumes no responsibility in respect of forward looking statements herein which may undergo change in future on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a reflection of the principles embedded in its values, policies and day-to-day business practices, leading to sustainable and value-driven growth for the Company. PCCPL is committed to maintain the highest standards of corporate governance, disclosure practices, professionalism, transparency and accountability in all its dealings.

The vision, mission and values of the Company to provide transparent and unbiased analytical data and solutions in the operations for the benefit of all stakeholders. Honest implementation of the policies with cooperation of all categories of employees create value for our stakeholders.

The Directors present below the Company's policies and practices on corporate governance.

The Company’s core philosophy on the code of Corporate Governance is to ensure fair and transparent business practices with accountability for performance. The compliance of applicable statute is of utmost importance to the Company. The transparent and timely disclosure of financial and management information always remains priority for the Company. The Management believes that good Corporate Governance is the key to visibility, disciplined and fair dealing in its global operations and all others connected with the Company directly or indirectly.

The Company is in compliance with the provisions of Corporate Governance specified in Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (Listing Regulations).

The Board of the Company is well balanced with experienced Directors from different fields. The Board along with its Committees fulfil their fiduciary duties in the interest of all its stakeholders.

The Board and the Management believes it must have a balanced approach to be fair to all stakeholders.

Code of Business Conduct & Ethics

The Company has adopted a Code of Conduct and Business Ethics for Directors and Senior Management of the Company, as required under Regulation 17(5)(a) of the Listing Regulations. The Company has received confirmations from the Directors and Senior Management regarding compliance with the Code for the year ended 31st March, 2019. A certificate from the Managing Director to this effect is attached to this Report.

The Code has been displayed on the Company's website www.punjabchemicals.com/Investors/Company Policies.

Code of Conduct for Prevention of Insider Trading

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

The Code of Conduct is applicable to Promoter(s), Director(s), Key Managerial Personnel, specified employees and other Connected Person of the Company who are expected to have access to Unpublished Price Sensitive Information (UPSI) relating to the Company. All of them have duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. These Codes are displayed on the website of the Company under the head *"Investors - Company Policies"* (www.punjabchemicals.com). The Directors and senior employees have given affirmation for the compliance under this code.

The Company is in compliance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) for Corporate governance.

2. THE COMPOSITION OF BOARD OF DIRECTORS

The Board of Directors and the Committees constituted by the Board provides leadership and guidance to the Company's management and supervises the Company’s overall performance in its business and other related matters.

The Company is in compliance with the Corporate Governance norms in terms of constitution of the Board of Directors (the Board). The Board of the Company is thorough professional and is composed of eminent individuals from diverse fields. The members of the Board consist of Promoter Director, Executive and Non Executive Directors and Independent Directors which is in conformity with the Listing Regulations and the Companies Act, 2013 (‘the Act’).

As on March 31, 2019, there are eight Directors, out of which two are Whole Time Directors viz. Managing Director (Promoter) and Director (Operations and Business Development) and six Non-Executive Directors including a Woman Director and three Independent Directors. The Chairman of the Company is a Non-Executive Independent Director.

Core skills/expertise/competencies of the Board members

Name of Director	Category	Core skills/expertise/competencies
Shri Mukesh Dahyabhai Patel	Chairman Independent/ Non-Executive	Graduate in Chemical Engineering, experience in finance and Corporate management for more than 43 years. He was associated with various industry bodies, such as India Chemical Manufacture Association, CHEMXCIL and Indian Association of Materials' Management.
Shri Shalil Shashi kumar Shroff	Promoter Executive	Management Diploma from University of Deopage, USA. He is associated with Company since 1992. Expertise in overall management and exploring new market for the products and getting liaison with new customers.
Capt. Surjit Singh Chopra (Retd.)	Non-Independent/ Non-Executive	Qualified in National Defence Academy (NDA), Khadakvasla and has rich experience of organization capabilities and inspires the management and other executives working in the Company. He has served in Indian Air Force for 15 years and Air India for 26 years. Competent in advising on various managerial and administrative matters.
Shri Vijay Dilbagh Rai	Independent Non-Executive	B. Tech from IIT, Kharagpur with courses in marketing and personnel management. Experience of more than 49 years in Industry out of which 28 years was with the leading industrial group in India "the Tata group" and was the CEO of one of the largest Agrochemicals Company in India for over 12 years.
Smt. Aruna Bhinge	Woman Director/ Non-Independent/ Non-Executive	Master of Management Studies from Narsee Monjee Institute of Management Studies, Master of Science from University of Bombay. She has more than 30 years of experience with leadership positions in business strategy, marketing, sales, projects & partnership in the healthcare and agri business sectors.
Shri Sheo Prasad Singh	Independent/ Non-Executive	He is M.Sc, C A I I B, PGDFRM, PGDFA. A veteran banker with more than 38 years experience in Commercial Banking including, Treasury, Direct/Indirect Taxation, management of Superannuation Funds.
Shri Avtar Singh	Non-Independent/ Executive	B.Sc from Panjab University, Chandigarh. He has overall experience of about 38 years in Chemicals, Pharmaceuticals and Agrochemicals in the Company.
Shri Shivshankar Shripal Tiwari	Non-Independent/ Non Executive	M.Sc. and Post graduate Diploma-Business Management. He is experienced in managing the chemical plants, production, manpower and domestic commercial market of chemicals.

Pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, with effect from 1st April, 2019, no listed Company shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a Special Resolution is passed to that effect.

Capt S.S. Chopra (Retd) (DIN:00146490), (aged around 79 years) had crossed the age limit prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, Amendment, 2018. Therefore the Company took the approval of the Members by way of Special Resolution vide Postal Ballot Notice dated 25th January, 2019 for continuation of his Directorship on the Board of the Company as a Non Executive Non Independent Director.

The Independent Directors on the Board of the Company serve as an Independent Director in not more than seven listed companies, as prescribed in Regulation 25 (1) of the Listing Regulations.

The Board has constituted the required Committees for smooth operations and specific analysis of the related matters. The Committees are Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Assessment Committee to analyse and monitor the related matters.

Memberships of other Boards

Independent Directors are expected not to serve on the boards of competing companies. No Director shall hold office as a Director in more than 10 public companies. No Director of the Company shall serve on more than 10 committees or can act as Chairman of more than five committees across all Indian public limited companies in which he / she is a Director. For the purpose of this limitation, membership and chairmanship of the Audit Committee and Stakeholders' Relationship Committee are only considered. No Independent Director shall serve as Independent Director in more than seven listed companies or three listed companies in case he/ she is a Whole-time Director in any listed company.

Furthermore, every Director informs the Company about the directorship / committee positions he / she occupies in other companies and notifies the changes as and when they take place.

Criteria for Board Membership

The Board has adopted the Nomination and Remuneration Policy to ensure that the Board composition is balanced with the requisite skill to provide insights and guidance on various matters relating to the business of the Company. The said Policy outlines the appointment criteria and qualifications for the Directors on the Board of PCCPL and the matters related to remuneration of the Directors. The said Policy is available on the Company's website at http://www.punjabchemicals.com/company-policies/.

Membership Term

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

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

Succession Policy

The Nomination and Remuneration Committee works with the Board on succession plan as and when required, to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills, experience and continuity in the Board.

Board Procedure

The Board looks at long-term strategic planning, annual budget approvals and policy formulation. The Board also has a strong operational oversight and reviews business plans, key risks and opportunities in the business context. The Board meets at least four times every calendar year and the maximum time gap between any two meetings is not more than 120 days. During the year ended March 31st, 2019, the Board met six times - on May 29th 2018, July 24th 2018, September 19th 2018, October 29th 2018, January 24th 2019 and March 26th 2019. A detailed agenda, setting out the business to be transacted at the meeting(s), supported by detailed notes and presentations, where applicable, is sent to each Director well in advance before the date of the Board and Committee meetings.

Important decisions taken by the Board and its committees are promptly communicated to the concerned leadership team for execution and status reports on actions taken are reported at subsequent meeting(s).

The Managing Director is responsible for implementing corporate strategy, planning, external contacts and Board matters. The Departmental Heads are responsible for all day-today operations-related issues, profitability, productivity, recruitment and employee retention for their divisions. The Board specifically considers internal financial control systems, financial reporting, approval of quarterly / annual results, major accounting provisions and write-offs / write backs etc. The minutes of the meetings of the Audit and other Committees of the Board are also being noted and considered by the Board of Directors.

In addition to the information required under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, the Board is also kept informed of major events and approvals are taken wherever necessary.

Meetings held

During the year, the Board met Six (6) times on the following dates during the financial year 2018-19:

May 29th 2018	July 24th 2018	September 19th 2018
October 29th 2018	January 24th 2019	March 26th 2019

The maximum gap between any two (2) Board Meetings was less than one hundred twenty (120) days.

No Board Meeting was held through video conferencing or through any audio-visual mode.

Board of Directors

The Composition and Category of Directors, their attendance at the Board Meetings and the last Annual General Meeting (AGM) held during the financial year 2018-19 and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Public Limited Companies as on March 31, 2019 are as follows:

Name of the Director	Category	Attendance Particulars		No. of other Director-ships**	Membership of other Boards***	Committee Membership****		No. of shares held as on March 31st, 2019
		Board Meetings	Last AGM held on 20th Sept, 2018			Member	Chairman	
Shri Ghattu Ramanna Narayan Chairman (DIN:00020575)*	Chairman Emeritus	0	No	-	-	-	-	Nil
Shri Mukesh Dahyabhai Patel (DIN:00009605)	Independent/ Non-Executive	6	Yes	3	i. Shilchar Technologies Limited -(Non Executive Independent Director) ii. Banco Products (India) Ltd. (Independent Director)	1	3	400
Shri Shalil Shashi kumar Shroff Managing Director (DIN:00015621)	Promoter Executive	6	Yes	0	-	-	-	230581
Capt. Surjit Singh Chopra (Retd.) (DIN:00146490)	Non-Independent/ Non-Executive	6	Yes	-	-	-	-	Nil
Shri Vijay Dilbagh Rai (DIN:00075837)	Independent Non-Executive	6	Yes	6	i. Greaves Cotton Limited -(Non-Executive Non Independent Director)	1	2	Nil
Smt. Aruna Bhinge (DIN:07474950)	Woman Director/ Non-Independent/ Non-Executive	5	No	2	i. Laurus Labs Limited - (Independent Director)	1	-	Nil
Shri Sheo Prasad Singh (DIN:06493455)	Independent/ Non-Executive	6	Yes	-	-	-	-	Nil
Shri Avtar Singh Whole Time Director (DIN:00063569)	Non-Independent/ Executive	5	Yes	1	-	1	-	7011
Shri Shivshankar Shripal Tiwari (DIN:00019058)	Non-Independent/ Non Executive	6	Yes	-	-	-	-	11589

* Resigned as Chairman and Director w.e.f. 28th May, 2015. Thereafter, he was appointed as the Chairman, Emeritus.

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

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

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

Notes:

(a) Shri Shalil Shashikumar Shroff and Capt. Surjit Singh Chopra (Retd.) are related to each other. None of the other Director is related to any other Director.

(b) None of the Directors have any business relationship with the Company.

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

(d) The Managing Director and the Whole Time Director are paid remuneration as approved by the members and the Central Government, if required within the overall ceiling prescribed under the Companies Act, 2013. Other Non-Executive Directors are paid sitting fees for attending the Board and Committee Meetings in addition to the Commission in case of sufficient net profit calculated as per the provisions of the Companies Act, 2013. Apart from above, the Company did not have any pecuniary relationship or transactions with the Directors during the financial year 2018-19.

(e) The decisions taken at the Board/Committee meetings are communicated to the concerned departments / divisions.

Board Independence

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

Independent Directors Role

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

Terms and conditions of appointment of Independent Directors

The Independent Directors of the Company have been appointed as per the provisions of the Act and Listing Regulations.

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

Familiarization Programme

Pursuant to the provisions of the Act and Regulation 25 (7) of the Listing Regulations, the Company has, during the year, conducted familiarization programmes for its Independent Directors and other Directors.

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

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

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

Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on March 26th, 2019 as required under Schedule IV of the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations.

At the Meeting, the Independent Directors:

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

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

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

All the Independent Directors attended the said Meeting.

Confirmation from the Board

The Board of Directors be and hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the Financial Year ended March 31st, 2019.

Appointment/ Re-appointment of Directors

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

3. AUDIT COMMITTEE

Terms of Reference:

The Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's internal controls, monitor and provide an effective supervision of the Management's financial reporting process. It has to ensure accuracy, timely disclosure of all financial results.

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of the Auditors.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements and Auditor's report thereon before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the Director's Responsibility Statement to be included in the Directors' Report in terms of Section 134 (3) (C) of the Act;
   b) Changes, if any, in accounting policies and practices and reasons for the same
   c) Major accounting entries involving estimates based on the exercise of judgment by management;
   d) Significant adjustments made in the financial statements arising out of audit findings;
   e) Compliance with listing and other legal requirements relating to financial statements;
   f) Disclosure of any related party transactions;
   g) Modified opinion (s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (Public Issue,

   Rights Issue, Preferential Issue, 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 a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.

9. Scrutiny of Inter-Corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of Internal Financial Controls and Risk Management Systems.
12. Reviewing, with the management, performance of the Statutory and Internal Auditors and the adequacy of the Internal Control Systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with Internal Auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
18. To review the functioning of the Whistle Blower Mechanism of the Company and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
20. To grant Omnibus approval for Related Party Transactions which are in the ordinary course of business and on an arms' length pricing basis and to review and approve such transactions subject to the approval of the Board.
21. Provide guidance to the Compliance Officer for setting forth policies and implementation of the revised Code of Conduct for Prevention of Insider Trading.
22. Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/ or other Committees of Directors.

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

Composition and attendance at the Meetings:

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee comprises of four Non-Executive Directors, out of which three are Independent Directors including the Chairman who are well-versed with financial matters and corporate laws. The Audit Committee met six times during the financial year ended 31st March, 2019 on -

May 29th, 2018	July 24th, 2018	September 19th, 2018
October 29th, 2018	January 24th, 2019	March 26th, 2019

The necessary quorum was present at all the meetings. The Chairman of the Audit Committee, Shri Vijay Dilbagh Rai was present at the last Annual General Meeting of the Company held on September 20th, 2018. The maximum gap between any two (2) Audit Committee Meetings was less than 120 days.

The composition of the Committee during 2018 and the details of meetings held and attended by the Directors during the financial year 2018-19 are as under:

Sr. No.	Name of Director	Category	Position	No.of Committee Meetings	
				Held	Attended
1	Shri Vijay Dilbagh Rai	Non-Executive / Independent	Chairman	6	6
2	Shri Mukesh Dahyabhai Patel	Non-Executive / Independent	Member	6	6
3.	Smt. Aruna R Bhinge*	Non-Executive / Non-Independent	Member	6	5
4	Shri Sheo Prasad Singh	Non-Executive / Independent	Member	6	6

* Smt. Aruna R. Bhinge was appointed as a member of the Committee w.e.f. 29th May, 2018.

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

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

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

4. NOMINATION AND REMUNERATION COMMITTEE

Terms of reference:

In terms of Section 178 (1) of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has constituted a Nomination and Remuneration Committee. The broad terms of reference of Nomination and Remuneration Committee as adopted by the Board are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other senior employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying qualified candidates for Directorship, who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Composition and Attendance at the meetings:

The Board has constituted a Nomination and Remuneration Committee with four Non-Executive Directors, out of which three are Independent Directors including the Chairman. The Company has complied with the requirement of Regulation 19 of Listing Regulation and Section 178 (1) of the Act with respect to the composition of the Nomination and Remuneration Committee. Shri Vijay Dilbagh Rai, Chairman of the Nomination and Remuneration Committee was present at the last AGM held on September 20th, 2018. The Committee met two times during the financial year ended 31st March, 2019 on -

May 29th, 2018 September 19th, 2018

The composition of the Committee and details of meetings attended by the Directors during the financial year 2018-19:

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

* Smt. Aruna R. Bhinge was appointed as a member of the Committee w.e.f. 29th May, 2018.

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

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

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

Performance Evaluation and Criteria for Evaluation:

Pursuant to applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of Board, Individual Directors, including the Managing Director and Non Executive Directors and Chairperson of the Board.

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

The Nomination and Remuneration Committee has laid down a structured questionnaire which is prepared separately for the Board, committees, Chairman and individual Directors, including Managing Director and Independent Directors.

The Chairman's performance evaluation is carried out by Independent Directors at a separate meeting. Chairman is evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all the Board members and motivating and providing guidance to the Managing Director. The questionnaire and evaluation process is reviewed in the context of amendments to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The questionnaire for Board evaluation is prepared taking into consideration various aspects of the Board's functioning such as Board members' understanding of their roles and responsibilities; attendance in the Board meetings and the reporting process; time devoted by the Board to the Company's long-term strategic issues; quality and transparency of Board discussions; quality, quantity and timeliness of the information flow between Board members and management; Board's effectiveness in disseminating information to shareholders and in representing shareholder interests; Board information on industry trends and regulatory developments; and discharge of fiduciary duties by the Board. During the evaluation of the Individual Directors, the Director being evaluated does not participate.

Performance of the committees is evaluated on the basis of their effectiveness in carrying out their respective mandates.

5. REMUNERATION OF DIRECTORS

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

Remuneration to the Managing Director/Whole Time Director

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

Annual increments are decided by the Board on recommendation by the Nomination and Remuneration Committee on the basis of the Company's size, their knowledge and expertise, economic & financial position of the Company, industrial trend and compensation paid by the peer Companies, etc.

During the year under review, the remuneration was paid within the ceiling as per the Companies Act, 2013 and as approved by the Shareholders.

Remuneration to Non-Executive Directors

Non-Executive Directors are paid sitting fees of Rs. 15000/- for each meeting of the Board or its committees attended by them and are also eligible for commission. The commission payable to each Non-Executive Director is determined by the Board, based on Company's performance, prevailing norms and role and contributions of Board members. In term of approval from shareholders' by way of Postal Ballot Notice dated 17th February, 2016, result of which was declared on 30th March, 2016, the Company can pay remuneration not exceeding 1% of the net profit to Non-Executive Directors.

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

Details of Remuneration paid to Directors:

The Directors' remuneration and sitting fees paid in respect of the Financial Year 2018-19, are given below:

Name of Director	Sitting fees for Board/ Other Committees Meetings (Rs.)	Salaries and other perquisites (Rs)	Other benefits (Rs)	Commission** (Rs)	Total (Rs.)
Ghattu Ramanna Narayan	Nil	Nil	Nil	1,00,000	1,00,000
Mukesh Dahyabhai Patel	3,15,000	Nil	Nil	2,25,000	5,40,000
Shalil Shashikumar Shroff, Managing Director	Nil	1,33,61,283	Nil	Nil	1,33,61,283
Capt. Surjit Singh Chopra (Retd.)	1,05,000	Nil	Nil	1,25,000	2,30,000
Vijay Dilbagh Rai	2,85,000	Nil	Nil	2,25,000	5,10,000
Aruna R Bhinge	1,80,000	Nil	Nil	Nil	1,80,000
Sheo Prasad Singh	2,25,000	Nil	Nil	1,25,000	3,50,000
Shivshankar Shripal Tiwari	1,05,000	Nil	Nil	1,00,000	2,05,000
Avtar Singh, Whole Time Director	Nil	1,12,07,926	Nil	Nil	1,12,07,926
Smt. Sindhu Seth*	NA	NA	NA	1,00,000	1,00,000
TOTAL	12,15,000	2,45,69,209	0	10,00,000	2,67,84,209

* Since resigned, however she was paid commission for the financial year 2017-2018.

** Commission was paid to the Directors other than Whole Time Directors for the year 2017-18.

Notes:

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

b. The Board has recommended / approved Commission of Rs. 20 Lac to the Non-Executive Directors as decided by the Chairman and Rs. 30 Lac to Executive Directors (Shri Shalil Shashikumar Shroff Rs. 20 Lac and Shri Avtar Singh Rs. 10 Lac) for the year 2018-19 to be paid/ distributed in the current financial year.

Service Contracts, Severance fees and notice period

Particulars	Shri Shalil Shroff Managing Director	Shri Avtar Singh Whole Time Director
Period of contract	3 years from 15.01.2018 to 14.01.2021	3 years from 14.11.2017 to 13.11.2020
Severance fees/ notice period	The contract may be terminated by either party by giving the other party ninety days' notice in writing or such shorter notice as may be mutually agreed between him and the Company.	

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference:

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

i) To look into redressal of investors' complaints and requests such as transfer of shares/ debentures, non-receipt of dividend, annual report, etc.

ii) To resolve the grievances of the security holders of the Company.

iii) Oversee the performance of the Company's Registrars and Transfer Agents.

iv) Recommend methods to upgrade the standard of services to Investors.

v) Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading and to carry out functions as referred by the Board of Directors.

Composition and Attendance at the meetings:

The Board of the Company has constituted a Stakeholders Relationship Committee, comprising of four Directors. The Chairman of the Committee is a Non-Executive Independent Director of the Company.

During the financial year 2018-19, four (4) meetings of the Committee were held on the following dates:

May 29th, 2018	July 24th, 2018
October 29th, 2018	January 24th, 2019

The composition of the Committee and details of meetings attended by the Directors during the financial year 2018-19:

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

Shri Punit K Abrol, Sr. V.P. (Finance) & Company Secretary is designated as the Compliance Officer.

During the year, 2018-2019, one complaint was received from investor. The complaint has been resolved to the satisfaction of the complainant and no complaint was pending at the beginning or at the end of the year.

The Board of Directors of the Company have delegated the power to transfer the shares by any one of Shri Shalil Shashikumar Shroff, Managing Director or Shri Avtar Singh, Director (Operations & Business Development) or Shri Punit K Abrol, Sr. V P (Finance) & Company Secretary. During the year 2018-19, all transactions viz. shares transfers, transmission, split/consolidation, duplicate share certificates, etc. were approved on a weekly basis by Shri Punit K. Abrol, Sr. V P (Finance) & Company Secretary.

7. OTHER COMMITTEES

a) RISK ASSESSMENT COMMITTEE

Regulation 21 of the Listing Regulations mandates top 100 listed companies based on the market capitalisation to constitute a Risk Assessment Committee. Although non-mandatory, your Company has constituted a Risk Assessment Committee of the Board.

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

Composition and attendance at the meeting

The Board of the Company has constituted a Risk Assessment Committee, comprising of four Directors.

During the financial year under review, 1 (one) meeting of the Risk Assessment Committee was held on March 26, 2019.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2018-19:

Sr. No.	Name of the Director	Position	Category	Number of Meetings	
				Held	Attended
1.	Shri Shalil Shashi Kumar Shroff	Chairman	Executive/Non-Independent	1	1
2.	Shri Mukesh Dahyabhai Patel	Member	Non-Executive / Independent	1	1
3.	Shri Avtar Singh	Member	Executive/Non-Independent	1	0
4.	Shri Shivshankar Shripal Tiwari	Member	Non-Executive/ Non Independent	1	1

b) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The terms of reference of the Committee includes:

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

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

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

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

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

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

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

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

Composition and Attendance at the meeting

The Board of the Company has constituted a Corporate Social Responsibility Committee, comprising of four Directors.

During the financial year under review, 1 (one) meeting of the Corporate Social Responsibility Committee was held on May 29th, 2018.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2018-19:

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

* Smt. Aruna R. Bhinge was appointed as a member of the Committee w.e.f. 29th May, 2018.

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

8. GENERAL BODY MEETINGS

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

YEAR	LOCATION	DAY, DATE AND TIME	SPECIAL RESOLUTIONS
2015-16	PHD House, Sector-31, Chandigarh	Friday, September 09, 2016 at 9.30 A.M	There was no matter that required passing of Special Resolution.
2016-17	PHD House, Sector-31, Chandigarh	Thursday, September 14, 2017 at 10.00 A.M	There was no matter that required passing of Special Resolution.
2017-18	Hotel Paras Chandigarh Ambala Highway, Derabassi	Thursday, September 20, 2018 at 10.00 A.M	There was no matter that required passing of Special Resolution.

Postal Ballot:

During the year under review, following one (1) Special Resolution was passed by the members through Postal Ballot. The details are given as follows:

Sr. No.	Date of result of Postal Ballot	Particulars of Resolution	Type of Resolution	Details of voting pattern	
				Votes cast in favour (No. of shares)	Votes cast against (No. of shares)
1.	13th March, 2019	Continuation of Directorship of Capt. S. S. Chopra (Retd.) (DIN No: 00146490) as a Non-Executive Non Independent Director of the Company, who has already attained the age of 75 years.	Special Resolution	88,08, 899 (99.99%)	493 (0.01%)

Shri S.K Sharma, of M/s S.K Sharma & Associates, Practicing Company Secretaries, Chandigarh, was appointed as the Scrutinizer for conducting the aforesaid Postal Ballots process and to compile the results of the voting of these resolutions.

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

Procedure followed for postal ballot.-

The Company followed the procedure as prescribed under the Companies (Management and Administration), Rules, 2014 as amended and the Secretarial Standard 2 issued by ICSI.

To pass above resolution by way of postal ballot, the Company sent notice to all the shareholders, along with a draft resolution explaining the reasons thereof and requested them to cast their votes through electronic voting (e-voting) or through postal ballot.

The notices were sent through permitted means.

The advertisements were published about having dispatch of ballot papers specifying date of dispatch in a vernacular newspaper and one English newspaper.

The notice was also placed on the website of the Company. The Board of Directors appointed Shri SK Sharma of M/s SK Sharma & Associates, Practising Company Secretaries as Scrutinizer to conduct the postal ballot, voting process in a fair and transparent manner.

The Scrutinizer submitted the report as per the Calendar of Events.

The Scrutinizer maintained the register, recording the assent or dissent received, mentioning the particulars of name, address, folio no, number of shares, nominal value of shares and record of postal ballot.

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

9. MEANS OF COMMUNICATION

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

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

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

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

10. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date and Time	:	13^{th} August, 2019 at 9.30 a.m.
Venue	:	Hotel Blue Sapphire, Ambala Chandigarh Highway, Derabassi, Distt. S.A.S. Nagar (Mohali), Punjab - 140201
Financial Year	:	2018-19
Date of Book Closure	:	5^{th} August, 2019 to 13^{th} August, 2019 (Both Days Inclusive)
Dividend payment date	:	The Dividend, if declared at AGM, will be paid within stipulated time

b) **Listing on Stock Exchanges**:

The Company's shares are listed on:

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

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

c) Stock Codes/Symbol (for shares)

BSE Limited (Code) : 506618
National Stock Exchange of India Ltd. (symbol): PUNJABCHEM
De-mat ISIN Number in NSDL & CDSL : INE277B01014

d) Volume of Shares traded during F.Y. 2018-19:

On BSE 6,83,058
On NSE 30,90,640

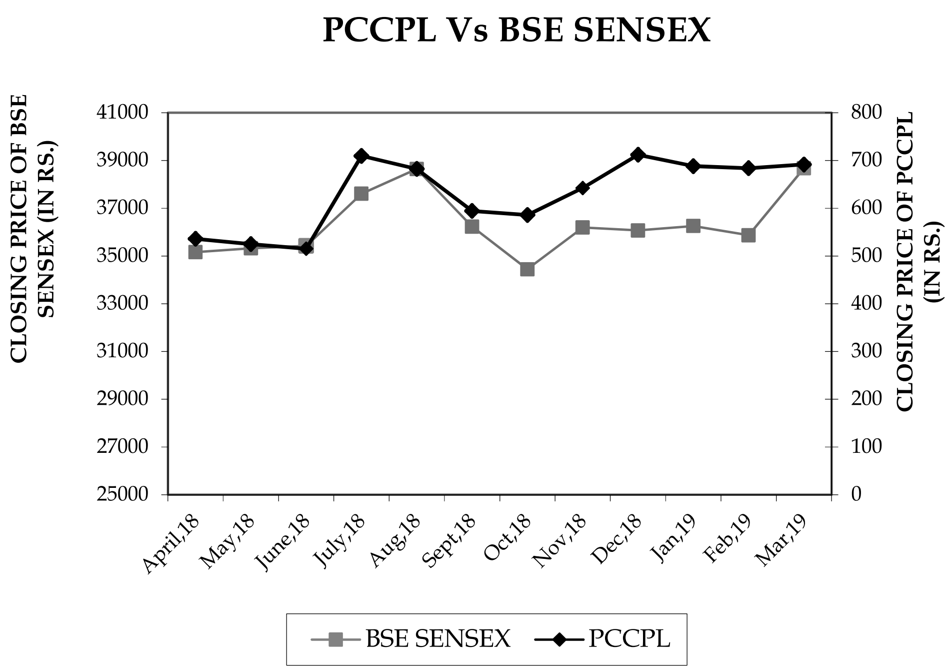
e) Market Price Data

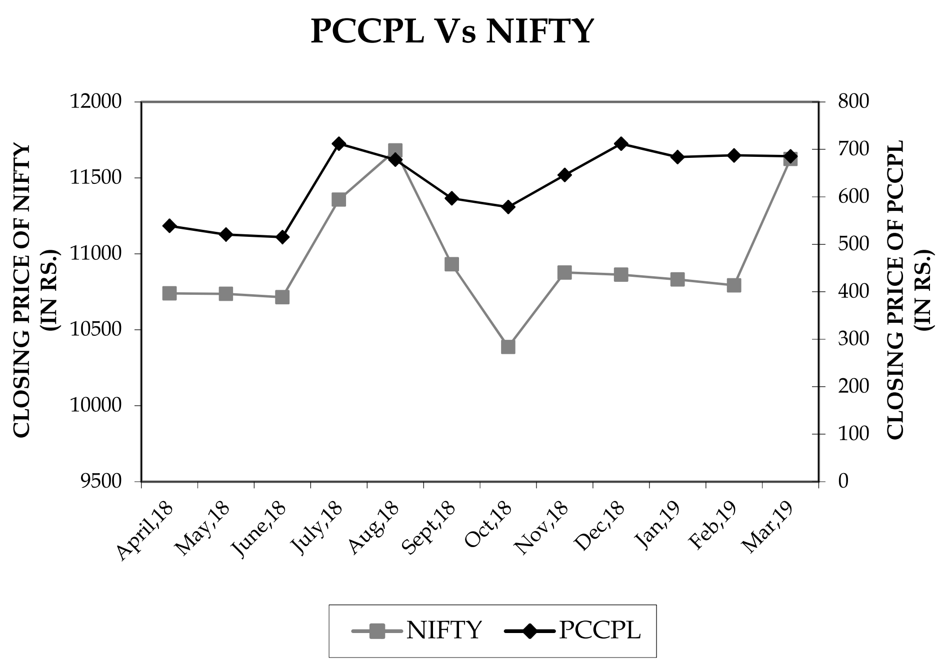
Market price data-monthly high/ low of BSE/ NSE depicting liquidity of the Company's Equity Shares on the said exchanges is given hereunder:

Month	BSE (in Rs.)		NSE (in Rs.)	
	High	Low	High	Low
April, 2018	574.70	395.00	575.45	394.00
May, 2018	569.00	461.00	570.00	460.85
June, 2018	569.00	471.00	568.80	470.10
July, 2018	724.80	510.00	719.10	510.00
August, 2018	724.90	663.00	729.00	665.60
September, 2018	686.80	586.10	689.90	580.00
October, 2018	623.00	528.00	623.85	526.00
November, 2018	665.00	580.00	665.00	576.15
December, 2018	722.00	619.10	720.80	615.90
January, 2019	755.00	675.00	756.90	673.10
February, 2019	706.80	643.00	710.05	638.05
March, 2019	742.30	666.45	730.00	659.00

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

The charts given hereunder plots the movement of the Company's Equity share prices on BSE versus BSE Sensex and Company's Equity share prices on NSE versus NSE NIFTY, respectively, for the year 2018-19:





g) Registrar and Share Transfer Agent (RTA)

M/s Alankit Assignments Ltd., 1E/13, Alankit Heights, Jhandewalan Extension, New Delhi-110 055 is the Registrar and Share Transfer Agent (RTA) of the Company.

h) Share Transfer Process

Shares in physical forms are processed by the RTA within 15 days from the date of receipt, if the documents are complete in all respects. The Managing Director, Whole Time Director and Sr. V.P (Finance) & Company Secretary have been severally, empowered to approve transfers.

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

A summary of transfer / transmission of shares, etc., so approved by the Company Secretary is placed before the Stakeholders Relationship Committee.

i) Secretarial Audit

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

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

c) Mr. P. S. Dua of M/s. P. S. Dua & Associates, Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2018-19. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under, its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Regulations. The Secretarial Audit Report forms part of the Board's Report.

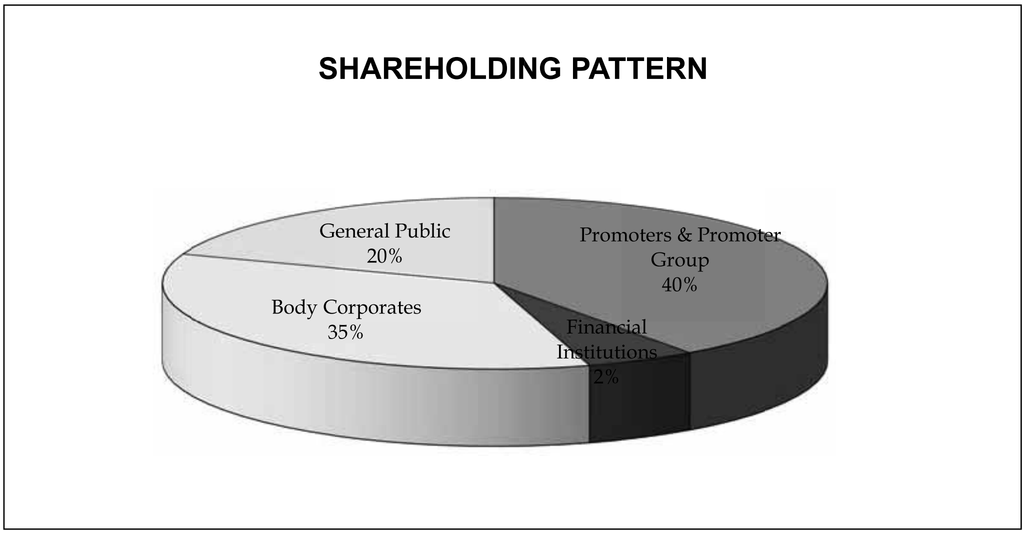
j) Distribution of Shareholding as on March 31, 2019:

No of Shares	No of Shareholders				No. of Shares			
From - To	Physical	Demat	Total	%	Physical	Demat	Total	%
1 - 500*	4473	9697	14170	95.28	89973	510542	600515	4.89
501 - 1000*	20	302	322	2.17	13585	229857	243442	1.99
1001 - 5000*	6	270	276	1.85	14647	590586	605233	4.94
5001 - 10000	1	43	44	0.30	6406	303923	310329	2.53
10001 - 20000	0	22	22	0.15	0	332620	332620	2.71
20001 - 30000	0	11	11	0.07	0	269611	269611	2.20
30001 - 40000	0	4	4	0.03	0	147540	147540	1.20
40001 - 50000	0	5	5	0.03	0	230055	230055	1.88
50001 - 100001	0	7	7	0.05	0	517720	517720	4.22
100001 & above	0	10	10	0.07	0	9005120	9005120	73.44
	4500	**10371**	**14871**	**100.00**	**124611**	**12137574**	**12262185**	**100.00**

*The no. of shareholders have been adjusted in physical, where shareholders are holding shares in both physical and demat form.

k) **Categories of Shareholders as on March 31, 2019:**

Sr. No.	CATEGORY	NO.OF SHARES HELD	PERCENTAGE OF SHAREHOLDING (%)
A.	**Shareholding of Promoter and Promoter Group**		
1)	Indian	49,08,890	40.03
2)	Foreign	-	-
	Total Shareholding of Promoter and Promoter Group	**49,08,890**	**40.03**
B.	**Public Shareholding**		
1)	Institutions:		
a)	Mutual Funds	786	0.01
b)	Financial Institutions/Banks	16,964	0.14
c)	Central Govt. / State Govt. Companies	2,31,199	1.89
d)	Foreign Portfolio Investors	3,99,589	3.26
e)	Insurance Companies	11,832	0.10
	Sub total (B) (1)	**6,60,370**	**5.40**
2)	**Non-Institutions**		
a)	Private Corporate Bodies	43,03,227	35.09
b)	Directors & their Relatives	50,893	0.42
c)	Indian Public	20,44,670	16.67
d)	NRIs	55,915	0.46
e)	Trust	22,575	0.18
f)	HUF	2,15,536	1.76
g)	NBFC Registered with RBI	109	0.00
	Sub Total (B) (2)	**66,92,925**	**54.57**
	Total Public Shareholding (B)(1)+(B)(2)	**73,53,295**	**59.79**
	TOTAL	**1,22,62,185**	**100.00**



l) Dematerialisation of shares and liquidity

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

Percentage of shares held in:

Physical form	1.01%
Electronic form with NSDL	88.68%
Electronic form with CDSL	10.31%

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

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

None

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

The Company exports of finished goods and imports of raw materials of few products. The international trade is primarily in USD and Euro which are major convertible currencies, and to that extent the exposure to foreign exchange risk exists. However, exports and imports of the Company are in the same currencies, therefore, a natural hedge for these currencies exist.

The Company has not entered into any hedging activities and not dealt in commodity price or foreign exchange risk activities during the financial year 2018-19.

o) Plant locations

Indian manufacturing locations:

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

p) Address for Correspondence:

1. Investor Correspondence	**:**	**For shares held in physical form** Alankit Assignment Ltd, 1E/13, Alankit Heights, Jhandewalan Extension, New Delhi-110055, Tel: 011-42541234, 011-42541953 Fax: 011-23552001 E-mail: info@alankit.com **For shares in De-mat form** To the Depository Participants

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

Registered Office & Works	:	Milestone-18, Ambala Kalka Road Village & Post Office Bhankarpur Derabassi, Distt. SAS Nagar (Mohali) - 140201 Tel: 01762-280086/280094 Fax : 01762-280070 E-mail: info@punjabchemicals.com
Corporate Office	:	Plot No. 645-46, 5th Floor, Oberoi Chambers II, New Link Road, Andheri (W), Mumbai-400 053. Ph: 022-26747900 (30 lines), Fax:022-26736013, 26736193 Email:enquiry@punjabchemicals.com

Ahmedabad Office	:	205-206, Supath-II Complex Ashram Road Near Vadaj Bus Terminus Ahmedabad-380 013 Cell : 09898892994; Ph.: 079-27552583 Fax : 079-27561127 Email: kalendu@punjabchemicals.com
3. Compliance Officer	:	Shri Punit K Abrol, Sr. V.P (Finance) & Secretary
4. Exclusive e-mail ID for the grievance redressal mechanism	:	investorhelp@punjabchemicals.com
5. Corporate website	:	www.punjabchemicals.com

Nomination Facility:

Members are allowed to nominate any person to whom they desire to have the shares transmitted in the event of death.

Desirous Members may approach to the Company or to the Registrar & Share Transfer Agents of the Company, for the shares held in physical form and to the respective Depository Participant for shares held in demat form, for availing the same facility.

11. OTHER DISCLOSURES

a) Related Party Disclosures:

All related party transactions that were entered into during the financial year 2018-19 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations.

There were no materially significant related party transactions made by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. Suitable disclosure as required by the Accounting Standards (IND AS 24) has been made in the Financial Statements. As required under SEBI (LODR), detailed related party disclosures as per Accounting Standards, please refer Note 42 of the Standalone and Consolidated Financial statements.

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

b) Statutory Compliance, Strictures and Penalties

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

c) Vigil Mechanism / Whistle Blower Policy:

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

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

d) IND-AS

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

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

Not Applicable

f) A Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

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

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

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

Amount in Lac

Statutory Audit	14
Limited Review	9
Others	7
TOTAL	**30**

h) Policy on Prevention of Sexual Harassment at Workplace

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to providing an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its employees and also to avoid conflicts and disruptions in the work environment due to such cases.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment Act, 2013.

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

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

j) Mandatory Requirements

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

k) Non Mandatory requirements

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

i. Chairman of the Board:

The Chairman of the Company is a Non Executive Independent Director.

ii. Shareholder Rights- Half yearly results:

As the Company's half yearly results are published in English newspapers circulated all over India and in a Hindi newspaper (circulated in Chandigarh) and also posted on the website of the Company www.punjabchemicals.com the same are not sent to the households of the shareholders of the Company.

iii. Qualified Opinion:

The Statutory Auditors have 'Qualified Opinion' in the Auditor's Report of Consolidated Financial statements for the year ended 31st March, 2019 with regard to non consolidation of accounts of SQ from 1st April, 2017 till 28th September, 2017 (date of sale).

The explanation and comments by the Board of Directors on the 'Qualified Opinion' by the Statutory Auditors have been given in the Directors' Report.

iv. Separate Posts of Chairman and Chief Executive Officer:

The Company has separate persons as the Chairperson and the Chief Executive Officer/Managing Director.

v. Reporting of Internal Auditors:

The Internal Auditor reports to the Managing Director and also has the direct access to the Audit Committee.

12. MARKET CAPITALISATION AND PRICE-EARNINGS RATIO:

	As on March 31, 2019	As on March 31, 2018
a. Closing Price (BSE) (Rs.)	691.65	389.20
b. Market Capitalisation (Rs. in crore)	848.11	477.24
c. Price-Earnings Ratio	37.92	45.90

13. UNCLAIMED SHARES:

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

Sr. No.	Particulars	No. of share holders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the beginning of the year as on 01.04.2018.	235	11361
(ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	0	0
(iii)	Number of shareholders to whom shares were transferred from Suspense Account during the year.	0	0
(iv)	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year as on 31.03.2019.	235	11361

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

14. CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of the Listing Regulations, the Certificate duly signed by Shri Shalil Shashikumar Shroff, Managing Director and Shri Vipul Joshi, Chief Financial Officer was placed before the Board of Directors along with the financial statements for the year ended March 31st, 2019 at its meeting held on May 10th, 2019, forms part of this report.

15. GENERAL

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

TO
THE MEMBERS OF PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

We have examined the compliance of conditions of Corporate Governance by Punjab Chemicals and Crop Protection Limited ("the Company") for the year ended on March 31st, 2019, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended 31st March, 2019.

We further state that this certificate 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.

For **S.K. Sharma & Associates**
Company Secretaries
Sd/-
S.K. Sharma
FCS No: 374, C.P No. 3864

Place : Chandigarh
Date : 10th May, 2019

DECLARATION

As provided under Clause D of schedule V pursuant to Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management laid down by the Company for the financial year ended March 31st, 2019.

On behalf of the Board of Directors
Punjab Chemicals & Crop Protection Limited
Shalil Shroff
(Managing Director)
(DIN No.: 00015621)

Mumbai
Date: 10th May, 2019

COMPLIANCE CERTIFICATE

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

We, Shalil Shashikumar Shroff, Managing Director and Vipul Joshi, Chief Financial Officer do hereby certify that in respect of the annual accounts and cash flow statement for the financial year ending on March 31st, 2019:

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

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

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

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

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

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

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

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

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

Place : Mumbai	**Shalil Shroff**	**Vipul Joshi**
Date : 10th May, 2019	**Managing Director**	**Chief Financial Officer**
	(DIN No.: 00015621)	

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
THE MEMBERS OF PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Punjab Chemicals and Crop Protection Limited having CIN L24231PB1975PLC047063 and having registered office at Milestone 18, Ambala Kalka Road, Bhankharpur, Derabassi, Dist. S.A.S Nagar, Mohali-140201 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in company
1.	Shri Mukesh Dahyabhai Patel	00009605	19-02-1985
2.	Shri Shalil Shashikumar Shroff	00015621	15-01-1998
3.	Capt. Surjit Singh Chopra (Retd.)	00146490	18-08-2004
4.	Shri Vijay Dilbagh Rai	00075837	28-02-1985
5.	Smt. Aruna Bhinge	07474950	29-05-2018
6.	Shri Sheo Prasad Singh	06493455	28-05-2015
7.	Shri Avtar Singh	00063569	14-11-1996
8.	Shri Shivshankar Shripal Tiwari	00019058	06-04-2009

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.K. Sharma & Associates**
Company Secretaries

Sd/-
S.K. Sharma
FCS No: 374, C.P No. 3864

Place : Chandigarh
Date : 10th May, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Punjab Chemicals and Crop Protection Limited

Report on the Audit of the Standalone Financial Statements

1. **Opinion**

    We have audited the standalone financial statements of Punjab Chemicals and Crop Protection Limited ("the Company"), which comprise the standalone balance sheet as at 31st March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

    In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31st March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. **Basis for Opinion**

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

3. **Key Audit Matters**

    Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

    Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
Revenue recognition as per Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) See note 2(b), 2(i) and 26 to the standalone financial statements The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:- - We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with applicable accounting standards.- - Evaluated the design of internal controls relating to implementation of the new revenue accounting standard, calculation of discounts and rebates. In addition, tested material contracts on samples basis in respect of revenue recorded and evaluated the operating effectiveness of the internal control relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving inquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. - Selected a sample of continuing and new contracts and read the distinct performance obligations in these

services tax, etc. Accumulated experience is used to estimate the provision for discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. There is a risk of revenue being overstated due to fraud, including through manipulation of rebates and discounts, resulting from pressure the management may feel to achieve performance targets at the reporting period end.	contracts assessing the Company's revenue recognition policies with reference to the requirements of the applicable accounting standards. - We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included goods dispatch notes and shipping documents. - We performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation, which included goods dispatch notes and shipping documents, to assess whether the revenue was recognized in the correct period. - We assessed manual journals posted to revenue to identify unusual items
Repayment of bank borrowings under one time settlement through raising funds by Inter Corporate Deposits (ICD's) See note 19A IX (iii) to the standalone financial statements In the earlier periods, the Group had obtained an approval for Debt restructuring (referred to as 'CDR') from the Corporate Debt Restructuring Empowered Group in relation to certain specific long outstanding borrowings from consortium of banks. The Company has been accounting for the related interest cost of the aforesaid bank borrowings in accordance the requirements of the aforesaid CDR. During the current year, the Company has entered into One time Settlement ("OTS") with the aforesaid banks and has settled the total amount payable basis which the aforesaid borrowings have extinguished as evidenced by "No Due Certificates" obtained by the Company. The repayment of borrowing is a significant transaction involving compliance with Ind AS 109 (Financials Instruments) along with related disclosures.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: - Obtained a schedule of borrowings and assessed the accounting and related disclosure in relation to payment of interest and principal outstanding in accordance with the stated terms of borrowings. - Obtained and read the One time settlement (OTS) agreement entered with the banks with whom the Company has the aforesaid outstanding balance at the beginning of the year and also sighted the No Due Certificates as received from respective banks. - Performed procedures in order to assess the accounting and disclosure made by the Company in accordance with the applicable accounting standard including disclosure of Rs. 838 lakhs as an exceptional item in the financial statements.

4. Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/

loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors'report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Report on Other Legal and Regulatory Requirements

(i) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(ii) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

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

g) With respect to the other matters to be included in the Auditors' 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 31st March 2019 on its financial position in its standalone financial statements - Refer Note 41(i) to the standalone financial statements;

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

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

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(iii) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current yearis in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration no.: 101248W / W-100022

Vikram Advani
Partner
Membership No: 091765

Place: Mumbai
Date: 10th May, 2019

ANNEXURE 'A' REFERRED TO IN PARAGRAPH 7(i) OF THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUNJAB CHEMICALS AND CROP PROTECTION LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019.

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (including investment property).

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets (including investment property) by which all fixed assets (including investment property) are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets being building and vehicles were verified during the year. The discrepancies noticed on such verification were not material and have been properly adjusted in the books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) According to the information and explanation given to us, the inventories, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.

(iii) The Company has not granted any loans, secured or unsecured, to companies, limited liability partnerships and other parties covered in the register maintained under section 189 of the Act. Further, there are no firms covered in the register required under section 189 of the Act.

(iv) According to information and explanations given to us, in respect of loans and investments, the provision of section 185 and 186 of the Act has been complied with as applicable. As informed to us, the Company has not provided any guarantee or security as specified under section 185 or 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits covered under section 73 to 76 or other provisions of the Act and rules framed thereunder. Thus, paragraph 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company, pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to ensuring whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services Tax ('GST'), Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in few cases of Provident fund, Income tax and GST.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services Tax ('GST'), Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax.

Also refer note 41 wherein it is explained that on account of the uncertainty with respect to the applicability of the Hon'ble Supreme Court judgement on provident fund matter, management has not recognized and deposited any additional provident fund amount for the period upto 28 February, 2019.

(b) According to the information and explanations given to us, there are no dues of Sales tax, Value added tax, Income tax, Service tax, Cess, Duty of excise and Duty of Customs which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the statute	Nature of Dues	Amount disputed# (Rs. in lakhs)	Amount deposited (Rs. in lakhs)*	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	-	-	Assessment Year 2010-2011	Income tax Appellate Tribunal
Income Tax Act, 1961	Income tax	877	455	Assessment Year 2008-09 to 2009-2010	Assessing officer**
Income Tax Act, 1961	Income tax	56	53	Assessment Year 2007-2008, 2011-12 to 2015-2016	Commissioner of Income tax (Appeals)
Central Excise Act, 1944	Service tax	1	-	1999-2000	High Court
The Punjab Sales Tax Act, 2005	Sale tax	11	-	2004-2005	High Court
Central Excise Act, 1944	Excise duty	55	23	2006-2007, 2009-2010, and 2011-2012 to 2014-2015	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Service tax	8	-	2009-2010 to 2010-2011 and 2012-2013 to 2015-2016	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Service tax	4	1	2009-2010 to 2011-2012 and 2013-2014 to 2015-2016	Commissioner (Appeals)
Central Excise Act, 1944***	Excise duty	4	-	2014-2015 and 2015-2016	Assistant Commissioner
Central Excise Act, 1944***	Service tax	4	-	2010-2011, 2015-2016 and 2016-2017	Assistant Commissioner

#Amounts as per demand order including interest and penalty, whichever indicated in the order

*Paid under protest by utilising the balance in CENVAT credit.

** Income tax Appellate Tribunal has remanded back the cases to the Assessing Officer for re-examination.

***relates to show cause notice received

(viii) According to the information and explanations given to us, the Company has repaid in full the outstanding loans or borrowings to its bankers as per the terms and conditions entered under the one time settlement scheme and no such dues were in arrears as on the balance sheet date. Accordingly, the defaults existed in previous years have been made good by the Company. The Company has not defaulted in repayment of dues to financial institutions and Company did not have any outstanding dues in respect of debenture holders during the year

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit for the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provision of section 197 read with Schedule V of the Act.

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

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with him during the year. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration no.: 101248W / W-100022

Vikram Advani
Partner
Membership No: 091765

Place: Mumbai
Date: 10th May, 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF PUNJAB CHEMICALS AND CROP PROTECTION LIMITED FOR THE PERIOD ENDED 31 MARCH 2019.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph 7(ii)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Punjab Chemicals and Crop Protection Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statementsis a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls 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.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration no.: 101248W / W-100022

Vikram Advani
Partner
Membership No: 091765

Place: Mumbai
Date: 10th May, 2019

BALANCE SHEET AS AT 31 MARCH 2019

Rs. in lacs

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	15,715	14,717
Capital work-in-progress	3	582	244
Investment property	4	1,879	2,442
Other intangible assets	5	362	511
Intangible assets under development	5	87	172
Financial assets			
- Investments	6	127	140
- Trade receivables	7	-	-
- Loans	8	258	226
Deferred tax assets (net)	9	39	615
Income tax assets (net)	10	649	647
Other non-current assets	11	297	60
Total non-current assets		**19,995**	**19,774**
Current assets			
Inventories	12	8,160	6,700
Financial assets			
- Investments	6	-	3
- Trade receivables	7	6,179	4,120
- Cash and cash equivalents	13	188	375
- Other bank balances	14	155	165
- Loans	8	1,544	2,455
- Other financial assets	15	1,096	1,018
Other current assets	16	1,110	2,201
Total current assets		**18,432**	**17,037**
Total Assets		**38,427**	**36,811**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1,226	1,226
Other equity	18	8,894	6,987
Total equity		**10,120**	**8,213**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	19	1,100	4,819
- Other financial liabilities	20	358	-
Provisions	21	2,207	1,965
Other non-current liabilities	22	54	22
Total non-current liabilities		**3,719**	**6,806**

	Note	As at 31 March 2019	As at 31 March 2018
Current liabilities			
Financial liabilities			
- Borrowings	19	7,950	5,281
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	23	45	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	11,191	10,590
- Other financial liabilities	20	4,045	4,735
Other current liabilities	24	551	733
Provisions	21	633	321
Current tax liabilities (net)	25	173	132
Total current liabilities		**24,588**	**21,792**
Total liabilities		**28,307**	**28,598**
Total equity and liabilities		**38,427**	**36,811**
Significant accounting policies	2		
Notes to the standalone financial statements	3-46		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

Vikram Advani
Partner
Membership No. : 091765

Place: Mumbai
Date: 10 May 2019

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

Mukesh D Patel
Chairman
DIN No.: 00009605

Shalil Shroff
Managing Director
DIN No.: 00015621

Avtar Singh
Director (Operations & Business Development)
DIN No.: 00063569

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

Vipul Joshi
Chief Financial Officer

Place: Mumbai
Date: 10 May 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

Rs. in lacs

Particulars	Note	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	26	64,037	49,077
Other income	27	1,036	1,142
Total income		**65,073**	**50,219**
EXPENSES			
Cost of materials consumed	28	39,742	29,593
Excise duty on sales		-	267
Purchases of stock-in-trade	29	583	156
Changes in inventories of finished goods, stock-in- trade and work-in progress	30	(412)	(289)
Employee benefits expense	31	6,353	5,428
Finance costs	32	1,706	1,751
Depreciation and amortization expense	33	1,860	1,394
Other expenses	34	11,182	10,497
Total expenses		**61,014**	**48,797**
Profit before tax and exceptional item		**4,059**	**1,422**
Exceptional item	35	**(838)**	**326**
Profit before income tax		**3,221**	**1,748**
Income tax expense	36		
Current tax		542	297
Adjustment of tax relating to earlier periods		38	(51)
Deferred tax		616	462
Total income tax expense		**1,196**	**708**
Profit for the year		**2,025**	**1,040**
Other comprehensive income/ (expense)			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		(169)	(35)
- Equity investments through other comprehensive income- net change in fair value		(12)	14
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		59	12
- Equity investments through other comprehensive income- net change in fair value		4	(5)
Other comprehensive (expense) for the year (net of income tax)		**(118)**	**(14)**
Total comprehensive income for the year		**1,907**	**1,026**
Earnings per equity share [nominal value of INR 10 (previous year INR 10)]	37		
Basic (INR)		16.51	8.48
Diluted (INR)		16.51	8.48
Significant accounting policies	2		
Notes to the standalone financial statements	3-46		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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Vipul Joshi
Chief Financial Officer

Place: Mumbai
Date: 10 May 2019

Place: Mumbai
Date: 10 May 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

a. Equity share capital:

Rs. in lacs

	Note	
Balance as at 1 April 2017	17	**1,226**
Changes in equity share capital during the year		-
Balance as at 31 March 2018		**1,226**
Changes in equity share capital during the year		-
Balance as at 31 March 2019		**1,226**

b. Other Equity:

	Reserves and surplus (Refer note 1)						Other comprehensive income (Refer note 1)	
Particulars	**Capital reserve**	**Securities premium**	**Capital redemption reserve**	**Capital reduction reserve**	**Amalgamation reserve**	**Retained earning**	**Equity instruments through other comprehensive income**	**Total**
Balance as at 1 April 2017	309	5,707	28	21	19	(131)	8	**5,961**
Total comprehensive income for the year ended 31 March 2018								
- Profit for the year	-	-	-	-	-	1,040	-	1,040
- Other comprehensive income/ (expense) (net of tax)	-	-	-	-	-	(23)	9	(14)
Total comprehensive income for the year	-	-	-	-	-	1,017	9	1,026
Balance as at 31 March 2018	**309**	**5,707**	**28**	**21**	**19**	**886**	**17**	**6,987**
Total comprehensive income for the year ended 31 March 2019								
- Profit for the year	-	-	-	-	-	2,025	-	2,025
- Other comprehensive (expense) (net of tax)	-	-	-	-	-	(110)	(8)	(118)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,915**	**(8)**	**1,907**
Balance as at 31 March 2019	**309**	**5,707**	**28**	**21**	**19**	**2,801**	**9**	**8,894**

Note 1 : Refer to note 18 for nature and purpose of other equity

Significant accounting policies	2
Notes to the standalone financial statements	3-46

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
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Vikram Advani
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Sr. V.P. (Finance)
& Company Secretary

Vipul Joshi
Chief Financial Officer

Place: Mumbai
Date: 10 May 2019

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2019

Rs. in lacs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flow from operating activities		
Profit before tax	**3,221**	**1,748**
Adjustments for:		
Depreciation and amortization expense	1,860	1,394
Write back of borrowings along with accrued interest on one time settlement	-	(326)
Reversal of impairment loss on doubtful debts and advances	(436)	(189)
Interest income	(39)	(192)
Amortization of government grants	(2)	(2)
Finance Cost	1,706	1,751
Charges incurred on one time settlement of borrowings	838	-
Unrealized foreign exchange loss/(gain) (net)	104	(143)
Advances written off	-	67
Property, plant and equipment written off	53	11
(Gain)/ loss on sale of plant, property and equipment (net)	17	(3)
Change in fair value of investments	-	360
Expected credit loss on trade receivable and advances	43	249
Rental income	(458)	(458)
Operating cash flow before working capital changes	**6,907**	**4,267**
Changes in working capital:		
(Increase)/decrease in trade receivables	(2,229)	717
(Increase) in inventories	(1,460)	(1,204)
Decrease/(Increase) in other current and non-current assets	1,063	(897)
(Increase) in current and non-current other financial assets	(98)	(53)
Decrease in current and non-current loans	1,278	360
Increase in trade payables and other liabilities	576	2,064
Increase in other current financial liabilities	1,060	334
Increase in long-term and short-term provisions	386	316
Cash generated from operating activities	**7,483**	**5,904**
Income tax paid (net)	(537)	(94)
Net cash generated from operating activities (A)	**6,946**	**5,810**
B. Cash flow from investing activities		
Acquisition of property, plant and equipment (including capital advances)	(2,723)	(2,016)
Proceeds from sale of property, plant and equipment	104	23
Proceeds from sale of Investment in shares and mutual funds	4	4
Movement in other bank balances	10	(103)
Interest received	59	177
Rental income	458	458
Net cash flows (used in) investing activities (B)	**(2,088)**	**(1,457)**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
C. Cash flow from financing activities		
Proceeds from non-current borrowings	1,175	57
Repayments of non-current borrowings	(6,538)	(2,977)
Proceeds/ (repayment) of current borrowings (net)	7,350	171
One time settlement cost paid on borrowing paid to bank	(838)	-
Finance cost paid	(1,513)	(1,520)
Net cash flows (used in) financing activities (C)	**(364)**	**(4,269)**
Net increase in cash and cash equivalents (A+B+C)	**4,494**	**84**
Cash and cash equivalents at the beginning of the year (see below)	**(4,421)**	**(4,505)**
Cash and cash equivalents at the end of the year (see below)	**73**	**(4,421)**
Notes :	**Year ended 31 March 2019**	**Year ended 31 March 2018**
1. Cash and cash equivalents include :		
Balances with banks		
- In current accounts	164	70
- Deposits with original maturity of less than three months	21	303
Cash on hand	3	2
Cash credit from banks (secured)	-	(4,665)
Book overdraft	(115)	(131)
	73	**(4,421)**

2. The above cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows". Also, refer to note 2(r).
3. Refer note 19 C for reconciliation of movements of liabilities to cash flows arising from financing activities.
4. During the year, the Company paid in cash INR 52 (previous year: INR 42) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 34B).

Significant accounting policies	2
Notes to the standalone financial statements	3-46

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

Vikram Advani
Partner
Membership No. : 091765

Place: Mumbai
Date: 10 May 2019

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

Mukesh D Patel
Chairman
DIN No.: 00009605

Shalil Shroff
Managing Director
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Avtar Singh
Director (Operations & Business Development)
DIN No.: 00063569

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

Vipul Joshi
Chief Financial Officer

Place: Mumbai
Date: 10 May 2019

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Note 1. Corporate Information

Punjab Chemicals and Crop Protection Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Milestone 18, Ambala Kalka Road, Village & P.O. Bhankharpur, Derabassi, Distt. SAS Nagar, Mohali (Punjab)-140201.

The Company is engaged in business of manufacturing of agro chemicals, speciality chemicals and bulk drugs and its intermediates.

Note 2. Significant accounting policies

(a) Basis of preparation

(i) Statement of compliance

These standalone financial statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (IndAS) as per the Companies (Indian Accounting Standards) Rules,2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

The standalone financial statements were authorized for issue by the Company's Board of Directors on 10 May 2019.

Effective 01 April 2016, the Company had transitioned to Ind AS while the financial statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Company had elected to certain exemptions which are listed as below:

a. The Company had opted to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognized in the financial statements prepared under previous GAAP and use the same as deemed cost in the financial statement as at the transition date.

b. The Company had opted to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement).

c. The Company had opted to measure its investment in SD Agchem (Europe), subsidiary of the Company, at its fair value on transition date which will be regarded as it's deemed cost at the transition date.

(ii) Functional and presentation currency

The functional currency of the Company is the Indian rupee. These standalone financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(iii) Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	**Measurement basis**
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefits (assets)/liability	Fair value of the plan assets less present value of defined benefits obligations

(iv) Use of estimates and judgments

The preparation of standalone financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and under lying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements is included in the following notes:

- Note 2(a)(v) and 38 - Fair value measurement
- Note 2(c) and 3 – Assessment of useful life and residual value of Property, plant and equipment
- Note 2(c) and 5 – Assessment of useful life of Intangible assets

- Note 2(i) – Revenue from contract with customers
- Note 2(m), 2(n), 21 and 41 – Provisions and contingent liabilities
- Note 2(l) and 36 – Income taxes
- Note 2(k) and 40– Measurement of defined benefit obligations: key actuarial assumptions
- Note 2(f) – Impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 2(g) - Impairment of financial assets
- Note 2(l) and 9- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used, future recoverability been probable;

(v) Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in the respective notes.

(b) Changes in Significant Accounting Policies

The Company has initially applied Ind AS 115 from 1 April 2018. A number of other new standards and amendments are also effective from 1 April 2018 but they do not have a material effect on the Company's financial statements.

Due to the transition methods chosen by the company in applying the above standard, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard.

There is no significant impact of transition from Ind AS 18 to Ind AS 115 in recognizing revenue by the Company.

(c) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment restated at cost, which includes capitalized finance costs,less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property ,plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

(ii) Intangible assets

- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
- Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.
- Intangible assets that are acquired (including implementation of software system) are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

  After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

(iii) Depreciation and amortization methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for the following classes of fixed assets which are depreciated based on the internal technical assessment of the management as under:

Category of assets	**Management estimate of useful life**	**Useful life as per Schedule II**
Factory building	5 years to 28 years	30 years
Office building	5 to 50 years	60 years
Plant and equipment	5 years to 20 years	15 years
Electrical Installation	12 years to 20 years	10 years
Vehicles	8 years	8 years
Furniture and fixtures	10 years	10 years

Leasehold land which qualifies as finance lease is amortised over the lease period on straight line basis.

Software systems are being amortised over a period of three years being their useful life. Product registration (including task charges, task force studies and other related expenses) are amortised over a period of ten years and Technical Know How are being amortised over a period of five years.

Depreciation and amortization on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date/month of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Derecognition

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

(c) Non-current assets held for sale

Non-current assets, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment and intangible assets are no longer amortised or depreciated.

e) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company depreciates investment property using the following useful lives from the date of original purchase.

Investment property	Management estimate of useful life	Useful life as per Schedule II
Building	5 years to 58 years	30 and 60 years
Plant and equipment	5 years to 20 years	15 years

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

(f) Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Impairment of financial assets

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Group in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(h) Inventories

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value.

The Company uses weighted average method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable. Fixed production overheads are included based on normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

(i) Revenue from contract with customers

The Company has initially applied Ind AS 115 from 1 April 2018.

Revenue recognition under Ind AS 18 (applicable before 1 April 2018)

Sale of goods

Revenue from sale of products is recognised when the property in the goods, or all significant risks and rewards of ownership of the products have been transferred to the buyer, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of products as well as regarding its collection. Revenues measured at transaction price,(include excise duty till 30 June 2017, goods and service tax (GST) applicable w.e.f. 1 July 2017) and are shown net of GST, sales tax, value added tax and applicable discounts and allowances, if any.

Revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any sales for which the Company has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Goods sold on consignment are recorded as inventory until goods are sold by the consignee to the end customer.

Sale of services

Revenue from services rendered is recognised in statement of profit or loss based on the terms of agreements as and when the services are rendered and the related costs are incurred.

Revenue recognition under Ind AS 115 (applicable from 1 April 2018)

Under Ind AS 115, the company recognized revenue when (or as) a performance obligation was satisfied, i.e. when ‘control’ of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by geography.

Use of significant judgements in revenue recognition

a) The Company’s contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

e) Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

f) Contract fulfilment costs are generally expensed as incurred except for certain expenses which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Sale of services

The Company offers services in fixed term contracts and short term arrangement. Revenue from service is recognized when obligation is performed or services are rendered.

The effect of initially applying Ind AS 115 is described in Note 2(b).

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except where the rentals are structured to increase in line with expected general inflation.

Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Export benefits

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(j) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(k) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

(i) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the Company is funded with Life Insurance Corporation of India.

(ii) Superannuation

Certain employees of the Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Company to the plan during the year is charged to Statement of Profit and Loss.

(iii) Provident fund

The Company makes contribution towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan.

Company's contribution to the provident fund is charged to Statement of Profit and Loss.

Other long-term employee benefits:

Compensated absences:

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's liability in respect of other long-term employee benefits is recognised in the books of account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Termination benefits:

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(l) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

– temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- *Minimum Alternative tax*

Minimum Alternative tax ('MAT') under the provisions of Income-tax Act,1961 is recognised as current tax in profit or loss. The credit available under the Act in respect of MAT paid is adjusted from deferred tax liability only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised adjusted from deferred tax liability is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(m) Provisions

A provision is recognized if, as 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 out flow 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 pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(n) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an out flow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of out flow of resources is remote.

Contingent assets usually arise from un planned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

(o) Leases

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. If it is a lease arrangement, it is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

The company as lessee

Finance leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the less or) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

The company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in Plant, Property and Equipment. Lease income is treated as revenue and the same is credited to the statement of profit and loss on straight line basis. Costs including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage etc. are recognized immediately in the statement of profit and loss.

(p) Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

(q) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, bank overdraft, cash credit, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(r) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(s) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

(t) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented with in other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income andare credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented withinother income.

(u) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(v) Standards issued but not yet effective

Ind AS 116 Leases:

The Company is required to adopt Ind AS 116, *Leases* from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, *Leases*.

The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment.The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

i. Leases in which the Company is a lessee

The Company will recognise new assets and liabilities for its operating leases of Mumbai office (see Note 47). The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

No significant impact is expected for the Company's finance leases.

ii Leases in which the Company is a lessor

The Company does not expects significant impact in lease agreement in which the Company is a lessor.

iii. Transition

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 01 April 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 01 April 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Amendment to Ind AS 12 – Income taxes:

On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 01 April 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

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

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

  Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

  The Company does not have any impact on account of this amendment.

Amendment to Ind AS 23– Borrowing cost:

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 23, 'Borrowing Costs', in connection with borrowing cost eligible for capitalization. As per amendment, borrowing costs related to specific borrowings that remain outstanding after the related qualifying asset is ready for intended use or for sale would subsequently be considered as part of the general borrowing costs of the entity.

The Company does not have any impact on account of this amendment.

Amendment to Ind AS 109– Financials Instruments:

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 9, 'Financials Instruments'. As per amendment, the financial assets with prepayment features that may result in negative compensation - e.g. the lender receives less than the par amount and accrued interest and effectively compensates the borrower for the borrower's early termination of the contract - to be measured at amortised cost or at FVOCI (subject to the business model assessment).

The Company does not have any impact on account of this amendment.

Note 3: Property, plant and equipment and Capital work in progress

Gross carrying amount Rs. in lacs

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total	Capital work in progress
Balance as at 1 April 2017	5,395	3	1,787	6,485	110	636	97	14,513	496
Additions	-	-	40	1,857	24	186	51	2,158	1,296
Disposals	-	-	-	40	-	12	1	53	1,548#
Balance as at 31 March 2018	**5,395**	**3**	**1,827**	**8,302**	**134**	**810**	**147**	**16,618**	**244**
Balance as at 1 April 2018	5,395	3	1,827	8,302	134	810	147	16,618	244
Additions	-	-	309	1,449	50	215	136	2,159	1,856
Disposals	-	-	2	83	1	39	3	128	1,518#
Balance as at 31 March 2019	**5,395**	**3**	**2,134**	**9,668**	**183**	**986**	**280**	**18,649**	**582**
Accumulated depreciation									
Balance as at 1 April 2017	-	-	174	657	19	58	24	932	-
Depreciation for the year	-	-	162	693	20	89	27	991	-
Disposals	-	-	-	14	-	7	1	22	-
Balance as at 31 March 2018	**-**	**-**	**336**	**1,336**	**39**	**140**	**50**	**1,901**	**-**
Balance as at 1 April 2018	-	-	336	1,336	39	140	50	1,901	-
Depreciation for the year	-	-	142	766	18	116	37	1,079	-
Disposals	-	-	2	26	-	15	3	46	-
Balance as at 31 March 2019	**-**	**-**	**476**	**2,076**	**57**	**241**	**84**	**2,934**	**-**
Carrying amounts (net)									
As at 31 March 2018	**5,395**	**3**	**1,491**	**6,966**	**95**	**670**	**97**	**14,717**	**244**
As at 31 March 2019	**5,395**	**3**	**1,658**	**7,592**	**126**	**745**	**196**	**15,715**	**582**

Notes:

a **Furniture and Fixture held under Finance Lease*

Particulars	As at 31 March 2019	As at 31 March 2018
Cost	28	-
Accumulated Depreciation	1	-
Net carrying amount	27	-

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

d. Plant and equipment includes INR 98 (previous year: INR 55) of capitalization towards research and development.

e Refer note 19 for information on property, plant and equipment pledged as security by the Company during the previous year.

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

g. The Company has capitalized the following expenses of revenue nature to the cost of property, plant and equipment/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

	31 March 2019	31 March 2018
Salaries, wages and bonus	21	34
Raw material consumption	-	21
Store consumption	383	101
Power and fuel	3	4
Finance costs	24	-
Others	-	8
	431	**168**

Represents capital work in progress capitalized during the current year and previous year.

Note 4: Investment property

Gross carrying amount Rs. in lacs

	Leasehold Land	Building	Plant and equipment	Total
Balance as at 1 April 2017	**522**	**1,178**	**1,080**	**2,780**
Disposals	-	-	-	-
Balance as at 31 March 2018	**522**	**1,178**	**1,080**	**2,780**
Balance as at 1 April 2018	**522**	**1,178**	**1,080**	**2,780**
Disposals	**-**	**-**	**492**	**492**
Balance as at 31 March 2019	**522**	**1,178**	**588**	**2,288**
Accumulated depreciation				
Balance as at 1 April 2017	9	9	151	169
Depreciation for the year	9	16	144	169
Disposals	-	-	-	-
Balance as at 31 March 2018	**18**	**25**	**295**	**338**
Balance as at 1 April 2018	18	25	295	338
Depreciation for the year	9	36	456#	501
Disposals	**-**	**-**	430	430
Balance as at 31 March 2019	**27**	**61**	**321**	**409**
Carrying amount (net)				
As At 31 March 2018	**504**	**1,153**	**785**	**2,442**
As at 31 March 2019	**495**	**1,117**	**267**	**1,879**

includes INR 343 towards accelerated depreciation of assets no longer considered usable basis physical verification performed during the year.

Note 5: Other intangible assets and intangible assets under development

Gross carrying amount

	Computer Software	Product registrations	Technical Know how	Total	Intangible assets under development
Balance as at 1 April 2017	-	653	287	940	126
Additions	-	-	17	17	63
Additions - acquired	3	-	16	19	-
Disposals	-	-	-	-	17##
Balance as at 31 March 2018	**3**	**653**	**320**	**976**	**172**
Balance as at 1 April 2018	3	653	320	976	172
Additions	73	58	-	131	26
Additions - acquired	-	-	-	-	-
Disposals	-	-	-	-	111##
Balance as at 31 March 2019	**76**	**711**	**320**	**1,107**	**87**

	Computer Software	Product registrations	Technical Know how	Total	Intangible assets under development
Accumulated amortization					
Balance as at 1 April 2017	-	172	59	231	-
Amortization for the year	1	168	65	234	-
Disposals	-	-	-	-	-
Balance as at 31 March 2018	**1**	**340**	**124**	**465**	-
Balance as at 1 April 2018	**1**	**340**	**124**	465	**-**
Amortization for the year	44	170	66	280	**-**
Disposals	-	-	-	-	**-**
Balance as at 31 March 2019	**45**	**510**	**190**	**745**	**-**
Carrying amounts (net)					
As at 31 March 2018	**2**	**313**	**196**	**511**	**172**
As at 31 March 2019	**31**	**201**	**130**	**362**	**87**

Notes: ## Represents intangible assets under development capitalized during current year and previous year.

Note 6: Investments

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
A. Non- current investments		
Quoted equity shares		
Equity shares at fair value through other comprehensive income	0.19	0.32
1,700 (31 March 2018: 1,700) equity shares of INR 10 each fully paid-up in Dena Bank Limited*		
400 (31 March 2018: 400) equity shares of INR 10 each fully paid-up in Syndicate Bank Limited	0.18	0.22
	0.37	**0.54**
*pursuant to Scheme of Amalgamation Dena Bank Limited has merged with Bank of Baroda effective 1 April 2019.		
Unquoted equity shares		
Subsidiary companies (at cost)		
16,612 (31 March 2018: 16,612) equity shares of Euro 615 each fully paid-up in SD Agchem (Europe) N.V. #	3,551	4,507
Nil (31 March 2018: 2,000) equity shares of GBP 1 each fully paid-up in STS Chemicals (UK) Limited ##	-	2
Other Companies (fair value through other comprehensive income)		
84,375 (31 March 2018: 84,375) equity shares of INR 10 each fully paid-up in Nimbua Green Field (Punjab) Limited	117	129
1,00,000 (31 March 2018: 100,000) equity shares of INR 10 each fully paid-up in Mohali Green Field Limited	10	10
	3,678	**4,648**

	As at 31 March 2019	As at 31 March 2018
Impairment in value of investments		
Subsidiary Companies :		
16,612 (31 March 2018: 16,612) equity shares of Euro 615 each fully paid-up in SD Agchem (Europe) N.V.#	3,551	4,507
Nil (31 March 2018: 2,000) equity shares of GBP 1 each fully paid-up in STS Chemicals (UK) Limited ##	-	2
	3,551	**4,509**
Total non-current investments	**127**	**140**
Aggregate book value of quoted investments	0.54	0.54
Aggregate market value of quoted investments	0.37	0.54
Aggregate value of unquoted investments	3,678	4,648
Aggregate amount of impairment in value of non-current investments	3,551	4,509

In respect of overdue export receivables from its wholly owned subsidiary i.e. S D Agchem (Europe) NV, the Company had received approval in earlier years from Reserve Bank of India (RBI) under Regulation 11 of Notification No. of FEMA 120/ RB -2004 and other regulatory authorities towards utilisation of said overdue export receivable into further investment. Accordingly, the overdue export trade receivable from S D Agchem (Europe) NV of INR 2,594 had been converted into investment in equity share capital where by S D Agchem (Europe) NV issued additional 5789 equity shares at face value of Euro 615 per share.

Further, based on the Regulation 16A and 17 of Foreign Exchange Management (Transfer or Issue of any foreign securities) Regulation, 2004 and RBI/FED/2015-16 FED Master Direction No. 15/2015-16, the Company has written off INR 956.25 (previous year INR 956.25) which represents 25% of the original investment of Rs 3,825 and has correspondingly written back INR 956.25 (previous year INR 956.25) provision for diminution in the value of Investment resulting in Nil (previous year: Nil) impact in the statement of profit and loss account.

During the current year, the Company has dissolved its wholly owned subsidiary STS Chemicals (UK) Limited.

	As at 31 March 2019	As at 31 March 2018
B. Current investments		
Quoted		
Investments in mutual funds measured at fair value through statement of profit and loss		
Nil (31 March 2018: 30,000) units of INR 10 each in Baroda Pioneer Hybrid Fund.	-	3
Total current investments	**-**	**3**
Aggregate book value of quoted investments	-	3
Aggregate market value of quoted investments	-	3

Note 7: Trade receivables

(Unsecured, considered good unless otherwise stated) Rs. in lacs

	As at 31 March 2019		As at 31 March 2018	
	Current	Non-current	Current	Non-current
Trade receivables	6,839	172	4,797	163
Receivable from related party	351	-	312	-
Less: Loss allowance	(1,011)	(172)	(989)	(163)
	6,179	**-**	**4,120**	**-**

For explanation on credit risk or credit management process refer Note 38 (b)

Rs. in lacs

	As at 31 March 2019		As at 31 March 2018	
	Current	Non-current	Current	Non-current
Break-up of security details				
Trade receivable considered good -Secured	-	-	-	-
Trade receivable considered good -Unsecured	6,179	-	4,120	-
Trade receivable which have significant increase in credit risk	-	-	-	-
Trade receivable- credit impaired	1,011	172	989	163
Total	**7,190**	**172**	**5,109**	**163**
Less: Loss allowance	(1,011)	(172)	(989)	(163)
Total trade receivables	**6,179**	**-**	**4,120**	**-**

Note 8: Loans

(unsecured, considered good unless otherwise stated)

Rs. in lacs

	As at 31 March 2019		As at 31 March 2018	
	Current	Non-current	Current	Non-current
Security deposit	27	258	1,003	226
Advances recoverable from related party				
- considered good	1,413	-	1,366	-
- considered doubtful	603	-	1,071	-
Less: expected credit loss for doubtful advances	(603)	-	(1,071)	-
Advances recoverable from others				
- considered good	104	-	86	-
- considered doubtful	24	15	24	14
Less: expected credit loss for doubtful advances	(24)	(15)	(24)	(14)
	1,544	**258**	**2,455**	**226**
Break-up of loan details				
Loans considered good -Secured	-	-	-	-
Loans considered good -Unsecured	1,544	258	2,455	226
Loans which have significant increase in credit risk	-	-	-	-
Loans- credit impaired	627	15	1,095	14
Total	**2,171**	**273**	**3,550**	**240**
Less: Loss allowance	(627)	(15)	(1,095)	(14)
Total Loans	**1,544**	**258**	**2,455**	**226**

Note 9: Deferred tax asset (net)

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Deferred tax assets on account of:		
- Expenses allowable on payment basis	838	1,270
- Expected credit loss allowance	727	882
- Expenses allowed on deferred basis under income tax	44	83
- Minimum alternate tax credit entitlement	10	147
Deferred tax liabilities on account of:		
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	1,580	1,715
- Impact of fair value of Corporate Debt Restructuring loan	-	52
Deferred tax asset (net)	**39**	**615**

Rs. in lacs

	As at 1 April 2017	Recognized in profit or loss	Recognized in other comprehensive income	As at 31 March 2018
2017-2018				
Deferred tax assets on account of:				
- Expenses allowable on payment basis	1,390	(127)	7	1,270
- Expected credit loss allowance	853	29	-	882
- Tax losses and unabsorbed depreciation carried forward	439	(439)	-	-
- Expenses allowed on deferred basis under income tax	120	(37)	-	83
- Minimum alternate tax credit entitlement	113	34	-	147
Deferred tax liabilities on account of:				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	1,661	54	-	1,715
- Impact of fair value of Corporate Debt Restructuring loan	184	(132)	-	52
Deferred tax asset (net)	**1,070**	**(462)**	**7**	**615**

	As at 1 April 2018	Recognized in profit or loss	Adjusted with provision for tax and income tax	Recognized in other comprehensive income	As at 31 March 2019
2018-2019					
Deferred tax assets on account of:					
- Expenses allowable on payment basis	1,270	(609)	114	63	838
- Expected credit loss allowance	882	(155)	-	-	727
- Expenses allowed on deferred basis under income tax	83	(39)	-	-	44
- Minimum alternate tax credit entitlement	147	-	(137)	-	10
Deferred tax liabilities on account of:					
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	1,715	(135)	-	-	1,580
- Impact of fair value of Corporate Debt Restructuring loan	52	(52)	-	-	-
Deferred tax asset (net)	**615**	**(616)**	**(23)**	**63**	**39**

Note 10: Income tax assets (net)

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Advance income-tax and tax deducted at source	649	647
(net of provision INR 744 (31 March 2018: INR 139)	**649**	**647**

Note 11: Other non-current assets

(Unsecured, considered good unless otherwise stated)

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Capital advances		
- to others	297	60
	297	**60**

Note 12: Inventories

(At lower of cost and net realizable value, whichever is lower) Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Raw materials #	3,782	2,803
Work-in-progress	1,412	986
Finished goods #	2,606	2,620
Packing material	100	98
Stores and spares	260	193
	8,160	**6,700**
Notes		
# Material in transit		
- raw material	744	261
- finished goods	1,014	-

Amount of write down of inventories to net realizable value (NRV) and other provisions/ loss recognized in the Statement of Profit and Loss as an expenses INR Nil (31 March 2018 INR Nil). The reversal of write-downs during the year amounted to INR Nil (31 March 2018: INR 27). The write downs and reversal are included in the cost of material consumed or changes in inventories of finished goods, work-in progress and stock-in- trade.

Note 13: Cash and cash equivalents

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Balances with banks		
- Current accounts	164	70
- Fixed deposits with original maturity upto three months	21	303
Cash on Hand	3	2
	188	**375**

Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of corporate affairs:
The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

Note 14: Other bank balances

Rs. in lacs

	Note	As at 31 March 2019	As at 31 March 2018
Deposit accounts with original maturity more than 3 months and upto 12 months from the reporting date	(a)	155	165
		155	**165**

Note: (a) These deposits include restricted bank deposits INR 155 (31 March 2018: INR 165) pledged as margin money.

Note 15: Other financial assets

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Interest receivable	44	64
Export incentive recoverable	647	485
Insurance claim receivable	2	22
Contract assets	307	405
Cost of fulfilment of contracts	92	-
Other receivable	4	42
	1,096	**1,018**

Contract fulfillment costs of INR Nil (PY: INR Nil) has been amortised in the Statement of Profit and Loss. Refer note 26 for the changes in contract asset.

Note 16: Other current assets

(Unsecured, considered good unless otherwise stated) Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Recoverable from/ balances with government authorities		
- considered good	893	2,040
- considered doubtful	186	194
Less : expected credit loss for balance recoverable from government authorities	(186)	(194)
Advances for supply of goods	117	39
Prepaid expenses	98	78
Assets held for sale	-	28
Others	2	16
	1,110	**2,201**

Note 17: Equity Share capital

(i) *Details of share capital* Rs. in lacs

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Authorized				
Equity shares of INR 10 each.	19,800,000	1,980	19,800,000	1,980
9.8% redeemable cumulative preference	20,000	20	20,000	20
shares of INR 100 each	**19,820,000**	**2,000**	**19,820,000**	**2,000**
Issued Shares				
Equity shares of INR 10 each.	12,277,218	1,228	12,277,218	1,228
	12,277,218	**1,228**	**12,277,218**	**1,228**
Subscribed and fully paid up				
Equity shares of INR 10 each fully paid up*	12,262,185	1,226	12,262,185	1,226
	12,262,185	**1,226**	**12,262,185**	**1,226**

*The Board has recommended a dividend of Rs. 1.50 per equity share of Rs. 10 each fully paid up amounting to Rs. 184 lakhs, subject to approval in the Annual General Meeting.

(ii) *Reconciliation of number of shares outstanding at the beginning and end of the reporting year* Rs. in lacs

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning and at the end of the year	12,262,185	1,226	12,262,185	1,226

(iii) *Rights, preference and. restriction attached to shares*

The Company has only one class of equity shares having a par value of INR 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) *Details of shareholders holding more than 5% shares in the company* Rs. in lacs

Name of shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of INR 10 each fully paid				
Hem-sil Trading and Manufacturing Private Limited	4,017,318	33%	4,017,318	33%
Gowal Consulting Services Private Limited	3,000,000	24%	3,000,000	24%

(v) *Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2019*

During the five years immediately preceding 31 March 2019, neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash.

Note 18: Other equity

(i) *Capital reserve*

Capital reserve represents the forfeited share application money of INR 185 received for preferential convertible warrants in 2008-2009 and INR 124 received for equity convertible warrant in 2009-2010.

(ii) *Capital redemption reserve*

Capital redemption reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(iii) *Capital reduction reserve*

Capital reduction reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(iv) *Securities premium*

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilized in accordance with the applicable provisions of the Companies Act, 2013.

(v) *Amalgamation reserve*

Amalgamation reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(vi) *Retained earnings*

Retained earnings represents the profits that the Company has earned till date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

(vii) *Equity instruments through Other Comprehensive Income*

The Company has elected to recognize changes in the fair value of certain investments in equity securities of other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The company transfers amounts there from to retained earning when the relevant equity securities are derecognized.

Note 19: Borrowings

Rs. in lacs

	Note	As at 31 March 2019	As at 31 March 2018
A. ***Non-current borrowings***			
Secured			
From Banks			
Term loan	(I)[(i - iii)], (IX)[(i - iii)]	-	6,272
Working capital demand loan	(I)(iv)	-	51
Vehicle finance scheme	(II)	4	10
From Others			
Housing finance scheme	(III)	-	10

Rs. in lacs

	Note	As at 31 March 2019	As at 31 March 2018
Vehicle finance scheme	(IV), (V), (VI)	152	62
Hire Purchase finance scheme	(VII)	16	-
Finance Lease obligation	(VIII)	21	-
		193	**6,405**
Unsecured			
From Others			
Inter-corporate deposits			
- from related party	B(iii)	1,000	-
		1,000	**-**
Total non current borrowings (including current maturities)		**1,193**	**6,405**
Less : Current maturities of non-current borrowings (refer note no. 20)*		**93**	**1,586**
		1,100	**4,819**

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

I. In accordance with the Corporate Debt Restructuring Scheme (CDR) approved by the Corporate Debt Restructuring Empowered Group, SBICAP Trustee Company Limited was appointed as the Security Trustee for the benefit of the Lenders of the Company and acting as an agent for SBI Antwerp, Belgium for the loan taken by one of the subsidiary of the Company. In pursuance of master restructuring agreement signed as per CDR scheme and the SBI Antwerp document, the term loan amounting to INR Nil (31 March 2018: INR 6,272) and working capital demand loan amounting to INR Nil (31 March 2018: INR 51) was secured by way of first pari passu charge on movable assets including current assets and immovable assets of Derabassi and Lalru unit, pledge of unencumbered shares of one of the promoter and the personal guarantee of promoter of the Company. These comprised:

   i. Term loans amounting to INR Nil (31 March 2018: INR 3,070) carrying interest rate of Nil % p.a. (31 March 2018: 10.75%). Principal amount of INR Nil (31 March 2018: INR 191) was overdue for a period of Nil (31 March 2018: 1 day) as on the reporting date.

   ii. Working capital term loans amounting to INR Nil (31 March 2018: INR 1,633) carrying interest rate of Nil % p.a. (31 March 2018: 8% p.a;). Principal amount of INR Nil (31 March 2018: INR 43) was overdue for a period of Nil (31 March 2018: 1day).

   iii. Funded interest term loan amounting to INR Nil (31 March 2018: INR 1,569) carrying interest rate of Nil % p.a. (31 March 2018: 8% p.a.). Principal amount of INR Nil (31 March 2018: 54) was overdue for a period of Nil days (31 March 2018: 91 day;) as on the reporting date.

   iv. Working capital demand loans amounting to INR Nil (31 March 2018: INR 51) carrying interest rate of Nil % p.a. (31 March 2018: 10.75% p.a.). Principal amount INR Nil (31 March 2018: INR 51) was overdue for Nil days (31 March 2018: 2009 days) as on the reporting date.

II. Loan from Axis Bank Limited under vehicle finance scheme amounting to INR 4 (31 March 2018: INR 10) is secured by exclusive charge by way of hypothecation of vehicles purchased under said Scheme and carrying interest rate of 9.41% and is repayable in 8 EMIs (31 March 2018: 20 EMIs). .

III. Loan from Housing Development Finance Corporation Limited for INR nil (31 March 2018: INR 10) is secured by equitable mortgage by way of the deposit of the title deeds of the properties of respective employees who have availed the loan under said Schemes and is carrying interest rate of Nil % p.a. (31 March 2018: 11% p.a.;) (31 March 2018: 11% p.a) and was repaid during the year.

IV. Loan from Kotak Mahindra Prime Limited under vehicle finance scheme amounting to INR 2 (31 March 2018: INR 4) is secured by exclusive charge by way of hypothecation of vehicles purchased under said Scheme and carrying interest rate of 9.4% (31 March 2018: 9.4%) and is repayable in 8 EMIs (31 March 2018: 20 EMIs).

V. Loan from Mahindra & Mahindra Finance Services Limited under vehicle finance scheme amounting to INR 36 (31 March 2018: INR 58) is secured by exclusive charge by way of hypothecation of vehicles purchased under said Scheme and carrying interest rate of 11.02% (31 March 2018: 11.02%) and is repayable in 12-20 EMIs (31 March 2018: 24-32 EMIs).

VI. Loan from Indostar Capital Finance Limited under vehicle finance scheme amounting to INR 114 (31 March 2018: INR Nil) is secured by exclusive charge by way of hypothecation of vehicles purchased under said Scheme and carrying interest rate of 11.03% (31 March 2018: Nil%) and is repayable in 24 EMIs (31 March 2018: Nil EMIs).

VII. Loan from Hewlett Packard Financial Services (India) Private Limited under hire purchase scheme amounting to INR 16 (31 March 2018 : INR Nil) for purchase of computer hardware and carrying interest rate of 13.86% (31 March 2018 Nil %) and payable in 11 quarterly instalments (31 March 2018 : Nil quarterly instalments).

VIII. Loan from Hewlett Packard Financial Services (India) Private Limited under lease finance scheme amounting to INR 21 (31 March 2018 : INR Nil) for purchase of computer hardware and carrying interest rate of 11.57% (31 March 2018 Nil %) and payable in 11 quarterly instalments (31 March 2018 : Nil quarterly instalments).

IX. One time settlement

i. One Time Settlement (OTS) with Central Bank of India

During the previous year, the Company had paid balance amount of INR 1,208 towards One Time Settlement (OTS) from Central bank of India and obtained No Dues Certificate. Accordingly, net write back of INR 326 had been recognized and disclosed as exceptional items, in the Statement of Profit and Loss.

ii. Corporate Debt Restructuring

In the earlier periods, the Company had obtained an approval for Debt Restructuring (referred to as 'CDR') from the Corporate Debt Restructuring Empowered Group ('CDR EG'). As per the CDR Scheme, the Company was liable to pay working capital demand loan amounting to INR 5,000 till September 2012, out of which the Company has repaid INR 4,949 (31 March 2017: INR 4,949) as of 31 March 2018. The balance amount of INR 51 represents excess interest charged by one of the member of the CDR Scheme in previous year.

iii. One Time Settlement (OTS) with Union Bank, Bank of Baroda, Allahabad Bank and Exim Bank.

In accordance with the Corporate Debt Restructuring Scheme (CDR) approved by the Corporate Debt Restructuring Empowered Group, the Company had outstanding borrowings from four scheduled banks amountig to INR 11,204 as 31 March 2018 . During the year, the Company has repaid the scheduled banks borrowing under OTS agreement. As a bridge finance, the Company had raised the funds through Inter Corporate Deposits amounting to INR 8,800 from promoter group company and other non-related company. The Company has also paid an additional amount of Rs. 838 as one time settlement fees for OTS which has been disclosed as exceptional item (also refer note 35). The unamortized portion of interest of Rs. 149 on borrowing was charged to finance cost (also refer note 32).

B. *Current borrowings*

Rs. in lacs

	Note	As at 31 March 2019	As at 31 March 2018
Cash credit from banks (secured)	(i),(ii)	-	4,665
Inter-corporate deposits (unsecured)	(iii)		
- from related party		3,635	385
- from others		4,200	100
Book overdraft		115	131
		7,950	**5,281**
		9,050	**10,100**

Notes

i. In accordance with the Corporate Debt Restructuring Scheme (CDR) approved by the Corporate Debt Restructuring Empowered Group, SBICAP Trustee Company Limited was appointed as the Security Trustee for the benefit of the Lenders of the Company and acting as an agent for SBI Antwerp, Belgium for the loan taken by one of the subsidiary of the Company. In pursuance of master restructuring agreement signed as per CDR scheme and the SBI Antwerp document, the cash credit amounting to INR Nil (31 March 2018: INR 4,665) was secured by way of first pari passu charge on movable assets including current assets and immovable assets of Derabassi and Lalru unit, pledge of unencumbered shares of one of the promoter and the personal guarantee of promoter of the Company.

ii. Cash credit amounting to INR Nil (31 March 2018: INR 4,665) was carrying interest rate of Nil % p.a. (31 March 2018: 10.75% p.a).

iii. Inter-corporate deposits amounting to INR 8,835 (31 March 2018: INR 485) is carrying interest rate of 12.75% to 16.50% p.a (31 March 2018: 11% to 12.75% p.a).

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

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Borrowings at the beginning of the year (current and non current) including short term	11,687	14,256
Proceeds from non-current borrowings	1,175	57
Repayments of non-current borrowings	(6,538)	(2,977)
Proceeds of current borrowings	7,950	-
Repayement of current borrowings	(5,281)	295
Write back of borrowings along with accrued interest on one time settlement	-	(326)
Unwinding of fair value of CDR loan	150	382
Borrowings at the end of the year (current and non current)	**9,143**	**11,687**

Note 20: Other financial liabilities

Rs. in lacs

	As at 31 March 2019		As at 31 March 2018	
	Current	Non-current	Current	Non-current
Current maturities of non current borrowings (refer note 19)	93	-	1,586	-
Interest accrued and due on borrowings	134	-	66	-
Due to subsidiaries	1,312	-	1,366	-
Employee related liabilities	529	-	468	-
Interest bearing security deposits from customers	67	-	70	-
Security deposit from employees	253	-	228	-
Payable to promoters towards one time settlememt	358	-	358	-
Capital creditors	224	-	190	-
Advance for capex	743	358	-	-
Others	332	-	403	-
	4,045	**358**	**4,735**	**-**

Note 21: Provisions

Rs. in lacs

	As at 31 March 2019		As at 31 March 2018	
	Current	Non-current	Current	Non-current
Provision for employee benefits (refer note 40)				
Liability for gratuity	414	1,555	319	1,298
Liability for compensated absences	219	652	2	667
	633	**2,207**	**321**	**1,965**

Note 22: Other non-current liabilities

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Deferred government grant	6	8
Deferred interest income	32	-
Deferred revenue	16	14
	54	**22**

Note 23: Trade payables

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Dues to Micro Enterprises and Small Enterprises (refer note below)	45	-
Other trade payables	11,191	10,590
	11,236	**10,590**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under :

	Particulars	As at 31 March 2019	As at 31 March 2018
(a)	The principal amount remaining unpaid to any supplier at the end of the year	45	-
(b)	The interest due on principal amount remaining unpaid to any supplier as at the end of year	0.15	-
(c)	The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"); along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED act	0.06	-
(e)	The amount of interest accrued and remaining unpaid at the end of year	0.21	-
(f)	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 expense under the MSMED Act	-	-

Note 24: Other current liabilities

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Advance for sale of Property, plant and equipment*	45	45
Advance from customers	102	463
Deferred revenue	46	56
Deferred interest income	88	-
Deferred government grant	2	2
Statutory dues	268	167
	551	**733**

*During the earlier years the Company had decided to sell off of its Pune unit against which the Company has received an advance of INR 45.

Note 25: Current tax liabilities (net)

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Provision for income tax (net of advance tax of INR 388 (31 March 2018: INR 166)	173	132
	173	**132**

Note 26: Revenue from operations

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products (including excise duty to the extent applicable)		
Finished goods	56,986	42,090
Traded goods	579	274
Sale of services	3,970	5,133
Other operating revenues:		
Scrap sales	146	112
Export incentive	2,169	1,417
Others	187	51
	64,037	**49,077**

Revenue disaggregation by geography is as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Geography		
India	22,923	19,961
Outside India		
Europe (including United Kingdom)	19,822	16,712
Japan	9,216	6,101
Others	12,076	6,303
Total	**64,037**	**49,077**

Information about major customers:

Revenue from 2 customer of the Company amounting to INR 24,494 and INR 7,712 respectively, during the year 2018-19 (2 customers amounting to INR 22,959 and INR 6,079 respectively, in the previous year 2017-2018) constitutes more than 10% of the total revenue of Company.

Changes in Contract assets are as follows:

	Year ended 31 March 2019
Balance at the beginning of the year	405
Invoices raised during the year	(405)
Revenue recognised during the year (yet to be invoiced)	307
Balance at the end of the year	**307**

Changes in Deferred revenue are as follows:

	Year ended 31 March 2019
Balance at the beginning of the year	70
Revenue recognised during the year	(8)
Balance at the end of the year	**62**

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

	Year ended 31 March 2019
Contracted price	64,123
Reductions towards variable consideration components*	(86)
Revenue recognised	**64,037**

* The reduction towards variable consideration comprises of trade discount.

Note 27: Other income

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest income		
- on fixed deposits	15	25
- others	24	167
Reversal of impairment loss on doubtful debts and advances (net of doubtful debts and advance written off INR 52)	436	189
Rental Income	458	458
Amortization of government grant	2	2
Exchange gain on foreign exchange fluctuation (net)	-	281
Gain on sale of investments	-	3
Gain on sale of property, plant and equipment (net)	2	3
Recovery against advance written off	91	-
Others	8	14
	1,036	**1,142**

Note 28: Cost of materials consumed

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Inventory of raw material at the beginning of the year	2,803	1,856
Add: Purchases of raw materials	40,721	30,540
Less: Inventory of raw material at the end of the year	(3,782)	(2,803)
	39,742	**29,593**

Note 29: Purchases of stock-in-trade

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Chemicals	583	156
	583	**156**

Note 30: Changes in inventories of finished goods, stock-in-trade and work-in-progress

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Opening stock		
Work-in-progress	986	977
Finished goods	2,620	2,448
Less:	**3,606**	**3,425**
Closing stock		
Work-in-progress	1,412	986
Finished goods	2,606	2,620
	4,018	**3,606**
Increase in excise duty on closing stock of finished goods	-	(108)
	(412)	**(289)**

Note 31: Employee benefits expense

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	5,428	4,487
Contribution to provident and other funds	566	501
Staff welfare expenses	359	440
	6,353	**5,428**

Note 32: Finance costs

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense on financial liabilities measured at amortized cost	1,582	1,652
Other borrowing cost	105	99
Other cost	19	-
	1,706	**1,751**

Note 33: Depreciation and amortization expense

Rs. in lacs

	Not	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment	3	1,079	991
Depreciation of investment property	4	501	169
Amortization of intangible assets	5	280	234
		1,860	**1,394**

Note 34: Other expense

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Stores and spares consumed	301	299
Power and fuel	4,672	4,200
Repairs and maintenance	1,104	987
Sub-contracting charges	561	478
Rent	155	149
Rates and taxes	76	133
Insurance charges	95	92
Traveling and conveyance	662	542
Commission on sales	136	127
Packing expenses	704	576
Freight and handling expenses	666	902
Job work expenses	74	74
Legal and professional fees (Refer Note A below)	504	310
Director’s sitting fees	12	10
Charity and donations (other than political parties)	3	2
Corporate Social Responsibility expenditure (refer note B below)	52	42
Advances written off	-	67
Property, plant and equipment written off	53	11
Loss on sale of plant, property and equipment (net)	19	-
Expected credit loss on trade receivables and advances	43	249
Impairment in the value of investments	-	360
Marketing and promotional expenses	104	31
Exchange loss on foreign exchange fluctuations	301	-
Miscellaneous expenses	885	855
	11,182	**10,497**

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
A) Payments to the auditor (excluding taxes as applicable):		
As auditor		
Statutory audit	14	14
Limited review of quarterly results	9	9
Others	7	-
	30	**23**

B) Details of Corporate Social Responsibility expenditure:

	Year ended 31 March 2019	Year ended 31 March 2018
Gross amount required to be spent by the Company during the year	51	38
Details of amount spent during the year:		
Actual spent during the year:		
(i) Construction / acquisition of any asset	52	42
(ii) On purposes other than (i) above		
- In Cash	-	-
- Yet to be paid in Cash	-	-

Note 35: Exceptional item

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Write back of borrowing alongwith accrued interest on one time settlement	-	326
Charges incurred on one time settlement of borrowings	(838)	-
	(838)	**326**

Note: Also refer note 19A.IX(iii)

Note 36: Tax expense

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
a) Income tax recognized in statement of profit and loss		
Current tax	542	297
Adjustments in respect of current tax of previous year	38	(51)
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	616	462
Total tax expense recognized	**1,196**	**708**

b) Reconciliation of effective tax rate

Particulars	As at 31 March 2019	As at 31 March 2018
Accounting profit before income tax	**3,221**	**1,748**
At India's statutory tax rate of 34.94% (31 March 2018: 34.94%)	1,125	611
Effect of expense that are non-deductible expenses in determining taxable profits	31	163
Effect of increase in tax rate	-	(9)
Effect of change in estimate related to previous year	38	(51)
Others	2	(6)
At the effective income tax rate of 34.94% (31 March 2018: 34.94%)	**1,196**	**708**

c) Income tax expense recognized in other comprehensive income

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Deferred tax assets/(liabilities)		
Arising on income and expenses recognized in other comprehensive income		
- Remeasurement of defined benefit obligation	59	12
- Equity investments through other comprehensive income-net change in fair value	4	(5)
Total income tax recognized in other comprehensive income	**63**	**7**
Bifurcation of the income tax recognized in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	63	7
Items that will be reclassified to profit or loss	-	-
	63	**7**

Note 37: Earnings per share

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Profit after tax for basic and diluted EPS per share	2,025	1,040
Weighted average number of equity shares	12,262,185	12,262,185
Basic and diluted earnings per share (Face value of INR 10 each)	**16.51**	**8.48**

Note 38(a): Fair values

Rs. in lacs

Financial instruments by category and fair values			As at 31 March 2019			As at 31 March 2018		
	Note	Level of hierarchy	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
Financial assets								
Non current								
Investment in subsidiary (unquoted)	(e)	-	-	-	-	-	-	-
Investment in equity shares of others (unquoted)	(d)	3	-	-	127	-	-	139
Investment in equity shares of others (quoted)	(d)	1	-	-	-	-	-	1
Loans	(b)	-	-	258	-	-	226	
Current								
Investments	(d)	1	-	-	-	3	-	-
Trade receivables	(a)	3	-	6,179	-	-	4,120	-
Cash and cash equivalents	(a)	3	-	188	-	-	375	-
Other bank balances	(a)	3	-	155	-	-	165	-
Loans	(a)	3	-	1,544	-	-	2,455	-
Other financial assets	(a)	3	-	1,096	-	-	1,018	-
Total financial assets			**-**	**9,420**	**127**	**3**	**8,359**	**140**
Financial liabilities								
Non-current								
Borrowings (including current maturities)	(c)	3	-	1,193	-	-	6,405	-
Other financial liabilities		3		358				
Current								
Borrowings	(a), (c)	3	-	7,950	-	-	5,281	-
Trade payables	(a)	3	-	11,236	-	-	10,590	-
Other financial liabilities	(a)	3	-	3,952	-	-	4,735	-
Total financial liabilities		**-**	**-**	**24,689**	**-**	**-**	**27,011**	**-**

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair value of non-current financial assets has not been disclosed as there is no significant differences between carrying value and fair value.

(c) For borrowing as on 31 March 2018, the fair value is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates. Management have used external valuation report for the fair value rate of borrowings under CDR arrangement. Fair value of non-current financial liabilities has not been disclosed as there is no significant difference between carrying value and fair value.

(d) For quoted investments, market value is taken as fair value. The fair value in respect of the unquoted equity investments is calculated bases on discounted cash flow method.

(e) As per paragraph D 15 of Ind AS 101, the Company has elected to measure its investment in SD Agchem (Europe) (Subsidiary of the Company), at its fair value on transition date which will be regarded as it deemed cost. The investment in other subsidiary are carried at their previous GAAP value as its deemed cost on transition date.

Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets	**Amount**
As at March 31, 2017	**126**
Re-measurement recognized in OCI	**14**
Sales	(1)
As at March 31, 2018	**139**
Re-measurement recognized in OCI	(12)
As at March 31, 2019	**127**

Note 38(b): Financial risk management

(i) *Risk management framework*

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk (see (ii));
- Liquidity risk (see (iii));and
- Market risk (see (iv))

(ii) *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Company's receivable from customers and loans. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	**As at 31 March 2019**	**As at 1 Aprl 2018**
- Investments	127	143
- Trade receivables	6,179	4,120
- Cash and cash equivalents	188	375
- Other bank balances	155	165
- Loans	1,802	2,681
- Other financial assets	1,096	1,018

Trade receivables

The Company has established a credit policy under which each new customer is analyzed individually for credit worthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances/deposits and credit limit determined by the company.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

Particulars	**Gross Carrying amount**	**Loss allowance**	**Carrying amount**
31 March 2019			
Less than 6 Months	6,048	-	6,048
More than 6 Months	1,314	1,183	131
	7,362	**1,183**	**6,179**
31 March 2018			
Less than 6 Months	3,911	-	3,911
More than 6 Months	1,361	1,152	209
	5,272	**1,152**	**4,120**

The movement in the allowance for impairment in respect of trade receivables is as follows

	As at 31 March 2019	**As at 31 March2018**
Balance as at the beginning of the year	1,152	1,181
Provision made during the year	43	34
Amounts written back	(12)	(63)
Balance as at the end of the year	**1,183**	**1,152**

The loans primarily represents security deposits, advances recoverable and loans to related parties. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for excepted credit loss has been provided on these financial assets. Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

Cash and cash equivalents

The Company holds cash and cash equivalents of INR 188 at 31 March 2019 (31 March 2018: INR 375). The cash and cash equivalents are held with scheduled banks.

(iii) ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities. The Company will continue to consider various borrowings or leasing options to maximize liquidity and supplement cash requirements as necessary.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

Contractual cash flow

	Less than 1 year	1 to 5 years	> 5 years	Total
As at 31 March 2019				
Borrowings (including current maturities)	8,043	1,100	-	9,143
Trade and other payables	11,237	-	-	11,237
Other financial liabilities	4,310	-	-	4,310
	23,590	**1,100**	**-**	**24,689**
As at 31 March 2018				
Borrowings (including current maturities)	6,867	4,969	-	11,836
Trade and other payables	10,590	-	-	10,590
Other financial liabilities	3,149	-	-	3,149
	20,606	**4,969**	**-**	**25,575**

(iv) Market risk

(a) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check cost of material hedged to the extent possible.

(b) 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's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings. However Company's borrowings are fixed rate of interest. Hence, the Company is not significantly exposed to interest rate risk.

The exposure of the Company's borrowing to fixed interest rate as reported at the end of the reporting period are as follows:

Rs. in lacs

	As at 31 March 2019	As at 1 April 2018
Fixed rate borrowings	9,143	11,836
	9,143	**11,836**

(b) Foreign currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which purchases are denominated and the functional currency of the Company. The currencies in which the Company is exposed to risk are GBP, USD, EUR. The Company evaluates this risk on a regular basis and takes appropriate risk mitigating steps.

Rs. in lacs

Foreign Exchange Exposures outstanding at the year end	Currency	As at 31 March 2019		As at 31 March 2018	
		Amount in (INR)	Amount in foreign currency	Amount in (INR)	Amount in foreign currency
Trade receivable / advances to vendors	EUR	2,081	27	689	9
	USD	3,889	57	2,266	35
	GBP	11	0.13	-	-
Trade payable / advances from customers	EUR	95	1	99	1
	USD	1,830	26	1,223	19
Advances to/ receivable from subsidiaries	EUR	2,016	26	2,400	30
	USD	15	0.22	14	0.22
	GBP	36	0.41	37	0.41
Payable to subsidiaries	EUR	1,312	17	1,366	17
Investments (at historical cost)	EUR	5,463	102	5,463	102
	GBP	-	0.02	2	0.02
			168		**139**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2019 and 31 March 2018 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Rs. in lacs

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2019				
USD (2% movement)	(42)	42	(27)	27
EURO (2% movement)	(210)	210	(137)	137
GBP (2% movement)	(1)	1	(0)	0
31 March 2018				
USD (2% movement)	(21)	21	(14)	14
EURO (2% movement)	(196)	196	(128)	128
GBP (2% movement)	(1)	1	(1)	1

Note 39(a): Measurement of fair values of investment property

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Fair value of investment property	4,347	4,428

Fair value hierarchy

The fair value of investment property has been determined by external expert, having appropriate recognized professional qualifications and recent experience category of the property being valued.

The fair value measurement for the investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique

The Company follows discounted cash flows technique. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Investment property comprise of a commercial property that is leased to third party. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

Note 39(b): Capital management

Risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital. The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total borrowings net of cash and cash equivalents and other bank balances. Equity comprises all components of equity (as shown in the Balance Sheet).

The Company's adjusted net debt to equity ratio was as follows. Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Total liabilities	28,307	28,598
Less: cash and cash equivalents and other bank balances	(343)	(540)
Adjusted net debt	27,964	28,058
Total equity	10,120	8,213
Adjusted net debt to equity ratio	**2.76**	**3.42**

Note 40: Employee benefits

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
I. Assets and liabilities relating to employee benefits		
Non current		
Liability for gratuity	1,555	1,298
Liability for leave encashment	652	667
	2,207	**1,965**
Current		
Liability for gratuity	414	319
Liability for leave encashment	219	2
	633	**321**
	2,840	**2,286**

For details about the related employee benefit expenses, refer to note no. 31.

II. *Defined contribution plan*

a. Provident Fund and employee's state insurance

The Company's provident fund scheme and employee's state insurance (ESI) fund scheme are defined contribution plans. The Company has no obligation other than to make the specified contributions.

b. Superannuation Fund

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

	For the year ended 31 March 2019	For the year ended 31 March 2018
Included in Contribution to Provident and Other Funds (Refer Note 31)		
Provident Fund	327	279
Superannuation Fund	201	193
ESI Contribution	29	27
	557	**499**

III. Defined benefit plan - Gratuity

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

The expected contribution to defined benefit plan in 2019-2020 is INR 240.

The following table sets out the status of the defined benefit plan as required under Ind-AS 19 - Employee Benefits:

b) Reconciliation of present value of defined benefit obligation

Rs. in lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	1,709	1,464
Interest cost	133	110
Current service cost	83	72
Past service cost	-	111
Benefits paid	(72)	(81)
Total Actuarial gain on obligation	167	33
Balance at the end of the year	**2,020**	**1,709**

c) Reconciliation of the present value of plan assets

Rs. in lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	93	144
Expected Interest Income	7	11
Contributions paid by the employer	16	6
Benefits paid	(64)	(66)
Actuarial loss for the year on Assets	(2)	(2)
Balance at the end of the year	**50**	**93**

d) Expense recognised in profit or loss

Rs. in lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Total service cost	83	183
Interest cost on benefit obligation	125	99
Net benefit expense	208	282

e) Remeasurements recognised in other comprehensive income

Rs. in lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Actuarial loss/(gain) for the year on Present defined benefit obligation	167	33
Actuarial loss/(gain) for the year on Assets	2	2
Total Actuarial gain / (loss) for the year	169	35

f) *Plan assets*

100% of the plan assets are managed by LIC

g) *Actuarial assumptions*

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate (per annum)	7.66%	7.75%
Future salary growth rate (per annum)	5.50%	5%
Retirement Age	58	58
Mortality rate	100% of IALM (2006-08)	100% of IALM (2006-08)

h) *Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Rs. in lacs

	As at 31 March 2019		As at 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement) (54)	(54)	58	(49)	51
Future salary growth rate (0.5% movement)	56	(54)	51	(48)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i) *Expected benefit payments*

Undiscounted amount of expected benefit payments for next 10 years are as follows: Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Within 1 year	415	318
1-2 year	27	56
2-3 year	67	117
3-4 year	40	71
4-5 year	160	133
5-10 years	1,312	1,014

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13.09 years (31 March 2018: 13.09 years).

Note 41: Commitments and contingencies

(to the extent not provided for)

i) *Claims against the company not acknowledged as debts* Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Excise duty matters	36	363
Service tax matters	17	19
Income Tax matters	761	760
Sales tax matters	11	11
Labour laws matters	8	14
Civil matters	1,004	877
	1,837	**2,044**

Notes:

1. The Company is contesting the demands and the management, including its tax advisors, believe that its position will be likely be upheld in appellate process. No tax expense has been accrued in financial statements for the tax demand raised. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operations.
2. The Company shall indemnify the damages to the Managing Director/Directors in case their personal guarantees are invoked in respect of loans, backed by their personal guarantees.
3. Pursuant to recent judgement by the hon'ble supreme court dated 28 February 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However there is uncertainty with respect to the applicable of the judgement and period from which the same applies. The Company has estimated the impact of the same from post 28 February 2019 and recognised in the financial statement.

   Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the company has not recognised any provision for the period prior to date of judgement. Further management also believes that the impact of the same on the company will not be material.

ii) Other Commitments

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	776	238
Amount payable under non-cancellable leases	201	366

Note 42: Related party disclosures

I. *List of related parties and nature of related party relationship, where control exists:*

Description of Relationship	Name of the Party
Subsidiaries (including step down subsidiary)	STS Chemicals (UK) Limited (upto 15 May 2018) S D Agchem (Europe) NV Sintesis Quimica, S.A.I.C, Argentina (upto 28 September 2017) (a step down subsidiary through S D Agchem (Europe) NV)

II. *List of related parties and nature of relationship with whom transactions have taken place during the current/ previous year*

Description of Relationship	Name of the Party
Enterprises where control over the composition of Governing Body exists	Hemsil Trading & Manufacturing Private Limited L & L Products Shroff Private Limited (upto 28 June 2017)
Key managerial personnel	Mr. Shalil Shroff (Managing Director) Mr. Avtar Singh (Whole time Director) Mr. Vipul Joshi (Chief Financial Officer) Mr. Punit K Abrol (Sr. Vice President (Finance) & Company Secretary) Mr. Jain Prakash (Sr. Vice President (Works))
Non Executive Directors	Mr Mukesh D Patel Mr. Vijay Dilbagh Rai Smt. Sindhu Seth (upto 29 May 2018) Mr. Sheo Prasad Singh Capt. S S Chopra (Retd.) Mrs Aruna Bhinge (w.e.f 29 May 2018) Mr. S.S.Tiwari
Relatives of key managerial personnel	Mrs. Shaila Shroff Mrs. Bhupinder Kaur Mrs. Ravinder Kaur (upto 28 February 2019) Mr. Jaskaran Singh Ms. Sonal Tiwari

III. *Transactions with related parties during the current/ previous year*

Rs. in lacs

Nature of transactions	Relationship	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Sale of goods			
SD Agchem (Europe) N.V.	Subsidiary	863	1,100
b. Loans taken, deposits received, advances received during the year			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	4,400	88
c. Rent/ service charges income/ (expense) during the year			
L & L Products Shroff Private Limited	Enterprises where control overthe composition of Governing Body exists	-	1

Rs. in lacs

	Nature of transactions	Relationship	For the year ended 31 March 2019	For the year ended 31 March 2018
d.	**Amount received against loan/advance given**			
	SD Agchem (Europe) N.V.	Subsidiary	291	-
e.	**Loans repayment during the year**			
	Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	150	17
f.	**Interest expense during the year**			
	Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	517	39
g.	**Provision for doubtful debts made during the year**			
	SD Agchem (Europe) N.V.	Subsidiary	-	6
h.	**Provision for doubtful debts written back during the year**			
	SD Agchem (Europe) N.V.	Subsidiary	2	-
i.	**Provision for doubtful advances made/ advances write off during the year**			
	SD Agchem (Europe) N.V.	Subsidiary	-	177
	STS Chemicals (UK) Limited	Subsidiary	36	4
j.	**Provision for doubtful advances write back during the year**			
	SD Agchem (Europe) N.V.	Subsidiary	431	128
	STS Chemicals (UK) Limited	Subsidiary	1	-
k.	**Employee benefits paid**			
	Short term employee benefits			
	Mr. Shalil Shroff	Key managerial personnel	134	95
	Mr. Avtar Singh	Key managerial personnel	112	93
	Mr. Vipul Joshi	Key managerial personnel	82	68
	Mr. Punit K Abrol	Key managerial personnel	65	55
	Mr. Jain Prakash	Key managerial personnel	67	52
	Benefits to Relatives			
	Ms. Shaila Shroff	Relatives of key managerial personnel	17	4
	Ms. Ravinder Kaur	Relatives of key managerial personnel	17	12
	Mr. Jaskaran Singh	Relatives of key managerial personnel	9	8
	Ms. Bhupinder Kaur	Relatives of key managerial personnel	1	1
	Ms. Sonal Tiwari	Relatives of key managerial personnel	22	17

Rs. in lacs

Nature of transactions	Relationship	For the year ended 31 March 2019	For the year ended 31 March 2018
Executive Directors			
Commission		30*	-
Non Executive Directors			
Sitting Fees		12	10
Commission		20*	20**
*The Board has recommended and approved a commission of INR 30 to Executive Directors and INR 20 to the Non Executive Directors for the FY 2018-19 to be paid in the current financial year.			
**During 2017-18, Commission provided to Non Executive Directors was INR 20, where as actual payment was made for INR 10. During 2018-19, excess INR 10 has been written back.			
Break-up of compensation of key managerial personnel of the Company			
Short-term employee benefits		489	363
Post-employment benefits		90	43
Total		**579**	**406**

IV. *Outstanding balances as at year end*

Particulars	Relationship	As at 31 March 2019	As at 31 March 2018
Payables			
SD Agchem (Europe) N.V.	Subsidiary	1,312	1,366
Receivables			
SD Agchem (Europe) N.V.	Subsidiary	351	312
Advances given			
SD Agchem (Europe) N.V.	Subsidiary	2,016	2,400
STS Chemicals (UK) Limited	Subsidiary	-	37
Loans taken			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	4,635	385
Mr. Shalil Shroff	Key managerial personnel	2	2
Mr. Avtar Singh	Key managerial personnel	2	2
Mr. Punit K Abrol	Key managerial personnel	10	10
Mr. Jain Prakash	Key managerial personnel	11	11
Commission payable to directors	Non Executive Directors	20	20
	Executive Directors	30	-
Salary payable to executive directors	Key managerial personnel	8	67

V. Terms and conditions of transactions with related parties

a. The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions and within ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

b. In accordance with the Corporate Debt Restructuring Scheme (CDR) approved by the Corporate Debt Restructuring Empowered Group, borrowing are also secured by personal guarantees of Mr. Shalil Shroff for term loans, working capital demand loan and cash credit facility from banks. The aggregate balance of borrowing from banks in respect of which personal guarantees have been given stands at INR Nil (31 March 2018: INR 10,988)

Note 43: Segment Information

The Executive Management Committee (Board of Director and key managerial personnel) monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. For management purpose, the Company has identified "Performance Chemicals" as single operating segment.

A] Information about products and services Rs. in lacs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from Sale of Goods from External customers		
Finished goods	56,986	42,090
Traded goods	579	274
Revenue from rendering of services to External customers	3,970	5,133

B] Information about geographical areas Rs. in lacs

Year ended 31 March 2019	Sale of goods	Rendering of services	Non current assets
India	16,563	3,858	19,815
Outside India			
Europe (including United Kingdom)	19,822	-	-
Japan	9,216	-	-
Others	11,964	112	180
Total	**57,565**	**3,970**	**19,995**
Year ended 31 March 2018			
India	13,248	5,133	19,439
Outside India			
Europe (including United Kingdom)	16,712	-	-
Japan	6,101	-	-
Others	6,303	-	335
Total	**42,364**	**5,133**	**19,774**

C] Information about major customers

Revenue from 2 customer of the company amounting INR 24,494 and INR 7,712 during the year 2018-19 (2 customers amounting INR 22,959 and INR 6,079 in the previous year 2017-2018) constitutes more than 10% of the total revenue of Company.

Note 44: Disposal of Sintesis Quimica, S.A.I.C Argentina

During the previous year, STS Chemicals ('UK') Limited ('STS') and SD Agchem (Europe) NV, Belgium, (SD Agchem), wholly owned subsidiaries of the Company have on 28 September 2017 sold their entire stake in Sintesis Quimica, S.A.I.C, Argentina, a step down subsidiary of the Company to a unrelated third party after completion of necessary legal formalities in India and Argentina.

Note 45: Disclosures pursuant to Section 186 of the Companies Act, 2013:

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Investment		
Investment in equity shares: Dena Bank Limited		
Balance as at the year end	0.19	0.32
Maximum amount outstanding at any time during the year	0.32	0.32
Investment in equity shares: Syndicate Bank Limited		
Balance as at the year end	0.18	0.22
Maximum amount outstanding at any time during the year	0.22	0.22

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Investment in equity shares: Nimbua Green Field (Punjab) Limited		
Balance as at the year end	117	129
Maximum amount outstanding at any time during the year	129	129
Investment in equity shares: Mohali Green Field Limited	10	10
Balance as at the year end	10	10
Maximum amount outstanding at any time during the year		

Note 46: Lease disclosure

Operating Lease

The Company has entered into agreements for leasing office premises on lease and license basis. The lease has life of 5 years and no restriction placed upon the Company for entering into said lease. The specified disclosure in respect of lease agreements is given below.

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Charged to statement of profit and loss account	151	143
Future minimum rentals payable under non-cancellable operating leases are as under:		
Within one year	151	164
After one year but not more than five years	50	202
More than five years	-	-
	201	**366**

Financial Lease

	As at 31 March 2019		As at 31 March 2018	
	Minimum Lease Commitments	Present value of minimum lease commitment	Minimum Lease Commitments	Present value of minimum lease commitment
Due within one year	9	7	-	-
Due in a period between one year and five years	16	14	-	-
Due after five years	-	-	-	-
Total Minimum lease commitments	**25**	**21**	-	-
Less: Interest	4	-	-	-
Present value of minimum lease commitments	**21**	-	-	-

As per our report of even date attached

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

Vikram Advani
Partner
Membership No. : 091765

Place: Mumbai
Date: 10 May 2019

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

Mukesh D Patel
Chairman
DIN No.: 00009605

Shalil Shroff
Managing Director
DIN No.: 00015621

Avtar Singh
Director (Operations & Business Development)
DIN No.: 00063569

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

Vipul Joshi
Chief Financial Officer

Place: Mumbai
Date: 10 May 2019

INDEPENDENT AUDITORS' REPORT

To the Members of **Punjab Chemicals and Crop Protection Limited**

Report on the Audit of Consolidated Financial Statements

1. Qualified Opinion

We have audited the consolidated financial statements of Punjab Chemicals and Crop Protection Limited (hereinafter referred to as the 'Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of such subsidiary as was audited by the other auditor, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

2. Basis for Qualified Opinion

We draw attention to note 44 of the Consolidated Financial Statements which explains that the Holding company had during the previous year (ending 31 March 2018) sold its entire stake in an overseas step down subsidiary on 28 September 2017. However, the holding Company did not have the financial information pertaining to the aforesaid subsidiary for the period 1 April 2017 to 28 September 2017 (the date of sale). In view of this, the holding Company did not consolidate the profit and loss account of the aforesaid subsidiary till the date of sale and computed the loss or gain on sale with reference to the position of the subsidiary as at 1 April 2017. This was not in compliance with Indian Accounting Standard 110 "Consolidated Financial Statements". Basis above, our audit opinion on the consolidated financial statements for the year ended 31 March 2018 was disclaimed.

Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures with the corresponding figures particularly with regard to the corresponding figures in the profit and loss account.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
Revenue recognition as per Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) See note 2(c), 2(j) and 26 to the consolidated financial statements The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:- - We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with applicable accounting standards. - Evaluated the design of internal controls relating to implementation of the new revenue accounting standard, calculation of discounts and rebates. In addition, tested

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. There is a risk of revenue being overstated due to fraud, including through manipulation of rebates and discounts, resulting from pressure the management may feel to achieve performance targets at the reporting period end.	material contracts on samples basis in respect of revenue recorded and evaluated the operating effectiveness of the internal control relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving inquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. - Selected a sample of continuing and new contracts and read the distinct performance obligations in these contracts assessing the Company's revenue recognition policies with reference to the requirements of the applicable accounting standards. - We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included goods dispatch notes and shipping documents. - We performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation, which included goods dispatch notes and shipping documents, to assess whether the revenue was recognized in the correct period. - We assessed manual journals posted to revenue to identify unusual items.
Repayment of bank borrowings under one time settlement through raising funds by Inter Corporate Deposits (ICD's) See note 19A IX (iii) to the consolidated financial statements In the earlier periods, the Group had obtained an approval for Debt restructuring (referred to as 'CDR') from the Corporate Debt Restructuring Empowered Group in relation to certain specific long outstanding borrowings from consortium of banks. The Company has been accounting for the related interest cost of the aforesaid bank borrowings in accordance the requirements of the aforesaid CDR. During the current year, the Company has entered into One time Settlement ("OTS") with the aforesaid banks and has settled the total amount payable basis which the aforesaid borrowings have extinguished as evidenced by "No Due Certificates" obtained by the Company. The repayment of borrowing is a significant transaction involving compliance with Ind AS 109 (Financials Instruments) along with related disclosures.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: - Obtained a schedule of borrowings and assessed the accounting and related disclosure in relation to payment of interest and principal outstanding in accordance with the stated terms of borrowings. - Obtained and read the One time settlement (OTS) agreement entered with the banks with whom the Company has the aforesaid outstanding balance at the beginning of the year and also sighted the No Due Certificates as received from respective banks. - Performed procedures in order to assess the accounting and disclosure made by the Company in accordance with the applicable accounting standard including disclosure of Rs 838 lakhs as an exceptional item in the financial statements.

4. Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditor, we conclude that there is amaterial misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures with the corresponding figures particularly with regard to the corresponding figures in the profit and loss account. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profitand other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified undersection 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 each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for ouropinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiary) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub-paragraph (a) of the Other Matters paragraphbelow, is sufficient and appropriate to provide a basis for our audit qualified opinion on the consolidated financial statements.

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

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

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

7. Other Matters

(a) We did not audit the financial statements / financial information of one subsidiary, whose financial statements/financial information reflect total assets of Rs.415 lakhs as at 31 March 2019, total revenues of Rs.1,124 lakhs and net cash flows amounting to Rs.14 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3)of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the audit report of the other auditor.

The subsidiary is located outside India whose financial statements and other financial information has been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditor under generally accepted auditing standards applicable in its country. The Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited the conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

8. Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary as was audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and except for the matter described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) Except for the effects of the matter described in Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) Except for the effect of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company, is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis of Qualified Opinion paragraph above.

h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, as noted in the 'Other Matters' paragraph:

i) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 41(i) to the consolidated financial statements.

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.

iii) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2019.

iv) The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019

B. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Vikram Advani
Partner
Membership No. 091765

Place: Mumbai
Date: 10 May 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PUNJAB CHEMICALS AND CROP PROTECTION LIMITED FOR THE PERIOD ENDED 31 MARCH 2019

Report on the Internal Financial Controls with Reference to the Aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (referred to in paragraph 8(A)(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Punjab Chemicals and Crop Protection Limited (hereinafter referred to as "the Holding Company") as of that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

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

Vikram Advani
Partner
Membership No. 091765

Place: Mumbai
Date: 10 May 2019

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

Rs. in lacs

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	15,715	14,717
Capital work-in-progress	3	582	244
Investment property	4	1,879	2,442
Other intangible assets	5	362	511
Intangible assets under development	5	87	172
Financial assets			
- Investments	6	127	140
- Trade receivables	7	-	-
- Loans	8	258	226
Deferred tax assets (net)	9	39	615
Income tax assets (net)	10	649	647
Other non-current assets	11	297	60
Total non-current assets		**19,995**	**19,774**
Current assets			
Inventories	12	8,160	6,700
Financial assets			
- Investments	6	-	3
- Trade receivables	7	6,263	4,226
- Cash and cash equivalents	13	205	407
- Other bank balances	14	155	165
- Loans	8	131	1,089
- Other financial assets	15	1,096	1,018
Other current assets	16	1,112	2,202
Total current assets		**17,122**	**15,810**
Total Assets		**37,117**	**35,584**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1,226	1,226
Other equity	18	7,860	6,191
Total equity		**9,086**	**7,417**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	19	1,100	4,819
- Other financial liabilities	20	358	-
Provisions	21	2,207	1,965
Other non-current liabilities	22	54	22
Total non-current liabilities		**3,719**	**6,806**

Rs. in lacs

	Note	As at 31 March 2019	As at 31 March 2018
Current liabilities			
Financial liabilities			
- Borrowings	19	7,950	5,281
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	23	45	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	11,263	10,774
- Other financial liabilities	20	3,667	4,124
Other current liabilities	24	581	729
Provisions	21	633	321
Current tax liabilities (net)	25	173	132
Total current liabilities		**24,312**	**21,361**
Total liabilities		**28,031**	**28,167**
Total equity and liabilities		**37,117**	**35,584**
Significant accounting policies	2		
Notes to the consolidated financial statements	3-47		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

Vikram Advani
Partner
Membership No. : 091765

Place: Mumbai
Date: 10 May 2019

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

Mukesh D Patel
Chairman
DIN No.: 00009605

Shalil Shroff
Managing Director
DIN No.: 00015621

Avtar Singh
Director (Operations & Business Development)
DIN No.: 00063569

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

Vipul Joshi
Chief Financial Officer

Place: Mumbai
Date: 10 May 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

Rs. in lacs

Particulars	Note	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	26	64,294	49,592
Other income	27	656	1,100
Total income		**64,950**	**50,692**
EXPENSES			
Cost of material consumed	28	39,742	29,593
Excise duty on sales		-	267
Purchases of stock-in-trade	29	583	156
Changes in inventories of finished goods, stock-in- trade and work-in progress	30	(412)	(289)
Employee benefits expense	31	6,353	5,428
Finance costs	32	1,726	1,768
Depreciation and amortisation expense	33	1,860	1,394
Other expenses	34	11,384	10,275
Total expenses		**61,236**	**48,592**
Profit before tax and exceptional item		**3,714**	**2,100**
Exceptional Item	35	**(838)**	**326**
Profit before income tax		**2,876**	**2,426**
Income tax expense	36		
Current tax		542	297
Adjustment of tax relating to earlier periods		38	(51)
Deferred tax		616	462
Total income tax expense		**1,196**	**708**
Profit for the year		**1,680**	**1,718**
Other comprehensive income/ (expense)			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		(169)	(35)
- Equity investments through other comprehensive income- net change in fair value		(12)	14
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		59	12
- Equity investments through other comprehensive income- net change in fair value		4	(5)
Items that will be reclassified subsequently to profit or loss:			
- Exchange difference in translating financial statements of foreign operations		107	(322)
Other comprehensive (expense) for the year (net of income tax)		**(11)**	**(336)**
Total comprehensive income for the year		**1,669**	**1,382**
Earnings per equity share [nominal value of INR 10 (previous year INR 10)]	37		
Basic (INR)		13.70	14.01
Diluted (INR)		13.70	14.01
Significant accounting policies	2		
Notes to the consolidated financial statements	3-47		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

Vikram Advani
Partner
Membership No. : 091765

Place: Mumbai
Date: 10 May 2019

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

Mukesh D Patel
Chairman
DIN No.: 00009605

Shalil Shroff
Managing Director
DIN No.: 00015621

Avtar Singh
Director (Operations & Business Development)
DIN No.: 00063569

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

Vipul Joshi
Chief Financial Officer

Place: Mumbai
Date: 10 May 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

a. Equity share capital:

Rs. in lacs

	Note	
Balance as at 1 April 2017	17	**1,226**
Changes in equity share capital during the year		-
Balance as at 31 March 2018		**1,226**
Changes in equity share capital during the year		-
Balance as at 31 March 2019		**1,226**

b. Other Equity:

	Reserves and surplus (Refer note 1)						Other comprehensive income (Refer note 1)		
Particulars	**Capital reserve**	**Securities premium**	**Capital redemption reserve**	**Capital reduction reserve**	**Amalgamation reserve**	**Retained earnings**	**Equity instruments through other comprehensive income**	**Foreign currency translation reserve**	**Total**
Balance as at 1 April 2017	563	5,707	28	21	19	(2,093)	8	360	**4,613**
Total comprehensive income for the year ended 31 March 2018									
- Profit for the year	-	-	-	-	-	1,718	-	-	1,718
- Other comprehensive income/ (expense) (net of tax)	-	-	-	-	-	(23)	9	(322)	(336)
Total comprehensive income for the year	-	-	-	-	-	1,695	9	(322)	1,382
- Transfers	(249)	-	-	-	-	445	-	-	196
Balance as at 31 March 2018	**314**	**5,707**	**28**	**21**	**19**	**47**	**17**	**38**	**6,191**
Total comprehensive income for the year ended 31 March 2019									
- Profit for the year	-	-	-	-	-	1,680	-	-	1,680
- Other comprehensive (expense) (net of tax)	-	-	-	-	-	(110)	(8)	107	(11)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,570**	**(8)**	**107**	**1,669**
On account of sale of subsidiary	-	-	-	-	-	(76)	-	76	-
Balance as at 31 March 2019	**314**	**5,707**	**28**	**21**	**19**	**1,541**	**9**	**221**	**7,860**

Note 1 : Refer to note 18 for nature and purpose of other equity

Significant accounting policies	2
Notes to the consolidated financial statements	3-47

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

Vikram Advani
Partner
Membership No. : 091765

Place: Mumbai
Date: 10 May 2019

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

Mukesh D Patel
Chairman
DIN No.: 00009605

Shalil Shroff
Managing Director
DIN No.: 00015621

Avtar Singh
Director (Operations & Business Development)
DIN No.: 00063569

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

Vipul Joshi
Chief Financial Officer

Place: Mumbai
Date: 10 May 2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

Rs. in lacs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flow from operating activities		
Profit before tax	**2,876**	**2,426**
Adjustments for:		
Depreciation and amortization expense	1,860	1,394
Write back of borrowings along with accrued interest on one time settlement	-	(326)
Gain on disposal of susbsidiary	(51)	-
Reversal of impairment loss on doubtful debts and advances	(5)	(147)
Interest income	(39)	(192)
Amortisation of government grants	(2)	(2)
Finance cost	1,726	1,768
Charges incurred on one time settlement of borrowings	838	-
Unrealised foreign exchange loss (net)	108	3
Advances written off	37	67
Property, plant and equipment written off	53	11
Loss / (gain) on sale of plant, property and equipment (net)	17	(3)
Gain on sale of investments	-	(2)
Reversal of FCTR on disposal of subsidiary	76	-
Expected credit loss on trade receivable and advances	44	66
Rental income	(458)	(458)
Operating cash flow before working capital changes	**7,080**	**4,605**
Changes in working capital:		
(Increase) / decrease in trade receivables	(2,209)	564
(Increase) in inventories	(1,460)	(1,204)
Decrease / (increase) in other current and non-current assets	1,061	(953)
(Increase) / decrease in current and non-current other financial assets	(98)	261
Decrease / (increase) in current and non-current loans	859	(56)
Increase in trade payables and other liabilities	471	3,723
Increase / (decrease) in other current financial liabilities	1,293	(1,022)
Increase in long-term and short-term provisions	385	316
Cash generated from operating activities	**7,382**	**6,234**
Income tax paid (net)	(537)	(94)
Net cash generated from operating activities (A)	**6,845**	**6,140**
B. Cash flow from investing activities		
Acquisition of property, plant and equipment (including capital advances)	(2,724)	(2,014)
Proceeds from sale of property, plant and equipment	104	23
Proceeds from sales of Investment in shares and mutual funds	4	1
Movement in other bank balances	10	(103)
Interest received	59	177
Rental income	458	458
Net cash flows (used in) investing activities (B)	**(2,089)**	**(1,458)**

Rs. in lacs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
C. Cash flow from financing activities		
Proceeds from non-current borrowings	1,175	57
Repayments of non-current borrowings	(6,538)	(2,977)
Proceeds of current borrowings (net)	7,350	171
One time settlement cost on borrowings paid to bank	(838)	-
Finance cost paid	(1,533)	(1,537)
Net cash flows (used in) financing activities (C)	**(384)**	**(4,286)**
Net increase in cash and cash equivalents (A+B+C)	**4,372**	**396**
Effect of exchange gain/(loss) on cash and cash equivalents	107	(322)
Cash and cash equivalents at the beginning of the year (see below)	**(4,389)**	**(4,443)**
Less: Opening Cash and cash equivalents of one of the subsidiary not consolidated (also, refer note 44)	-	(20)
Cash and cash equivalents at the end of the year (see below)	**90**	**(4,389)**

Notes :	**Year ended 31 March 2019**	**Year ended 31 March 2018**
1. Cash and cash equivalents include :		
Balances with banks		
- In current accounts	181	102
- Deposits with original maturity of less than three months	21	303
Cash on hand	3	2
Cash credit from banks (secured)	-	(4,665)
Book overdraft	(115)	(131)
	90	**(4,389)**

2. The above cash flow statement has been prepared in accordance with “Indirect Method” as set out on Indian Accounting Standard -7 on “Statement on Cash Flows “. Also, refer to note 2(s).
3. Refer note 19 C for reconciliation of movements of liabilities to cash flows arising from financing activities.

Significant accounting policies 2

Notes to the consolidated financial statements 3-47

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

Vikram Advani
Partner
Membership No. : 091765

Place: Mumbai
Date: 10 May 2019

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

Mukesh D Patel
Chairman
DIN No.: 00009605

Shalil Shroff
Managing Director
DIN No.: 00015621

Avtar Singh
Director (Operations & Business Development)
DIN No.: 00063569

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

Vipul Joshi
Chief Financial Officer

Place: Mumbai
Date: 10 May 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Note 1. Corporate Information

Punjab Chemicals and Crop Protection Limited ("the Company" or the "Parent Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Milestone 18, Ambala Kalka Road, Village & P.O. Bhankharpur, Derabassi, Distt. SAS Nagar, Mohali (Punjab)-140201.

The Group is engaged in business of manufacturing of agro chemicals, speciality chemicals and bulk drugs and its intermediates.

Note 2. Significant accounting policies

(a) Basis of preparation

(i) *Statement of compliance*

These Consolidated financial statements ("Consolidated Financial Statements") have been prepared in accordance with Indian Accounting Standards (IndAS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (India Accounting Standards) Amendment Rules, 2016 notified under section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act. The consolidated financial statements of the Company as at and for the year ended on 31 March 2019 comprise the financial statements of Company and its subsidiary (together referred to as "the Group").

The Consolidated financial statements were authorized for issue by the Company's Board of Directors on 10 May 2019.

Effective 01 April 2016, the Group had transitioned to Ind AS while the consolidated financial statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance of Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Group had elected to certain exemption which are listed as below:

a. The Group had opted to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognized in the consolidated financial statements prepared under previous GAAP and use the same as deemed cost in the consolidated financial statement as at the transition date.

b. The Group had opted to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement).

c. The Group had deemed the cumulative translation differences for all foreign operations to be zero as at the transition date by transferring cumulative differences to retained earnings.

(ii) *Functional and presentation currency*

The functional currency of the Group is the Indian rupee. These financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated

(iii) *Basis of measurement*

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefits (assets)/liability	Fair value of the plan assets less present value of defined benefits obligations

(iv) *Use of estimates and judgments*

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and under lying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively incurrent and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 2(a)(v) and 38 - Fair value measurement
- Note 2(d) and 3–Assessment of useful life and residual value of Property, plant and equipment
- Note 2(d) and 5 – Assessment of useful life of Intangible assets
- Note 2(n),2(o), 21and 41 – Provisions and contingent liabilities
- Note 2(m) and 36 – Income taxes
- Note 2(l) and 40– Measurement of defined benefit obligations: key actuarial assumptions
- Note 2(g) - Impairment of financial assets
- Note 2(h)–Impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 2(m) and 9- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used, future recoverability been probable;

(v) *Measurement of fair values*

A number of the Group's accounting policies and disclosures require measurement off air values, for both financial and non-financial assets and liabilities. The Group has an established control frame work with respect to measurement off air values. This includes the top management division which is responsible for over seeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable input sand valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of IndAS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchyat the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

(b) Principles of consolidation

The consolidated financial statements comprises the financial statement of the Group, and the entities controlled by the Group including its subsidiary as at 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in as sessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The details of the consolidated entities are as follows:

S. No.	Name	Country of Incorporation	Percentage of ownership
1	SD Agchem (Europe) NV	Belgium	100 %
2	STS Chemicals (UK) Limited*	United Kingdom	0 %
3	Sintesis Quimica S.A.I.C**	Argentina	0 %

*During the year, Company has dissolved its wholly owned overseas subsidiary i.e. STS Chemicals (UK) Limited, consequently upon dissolution, STS Chemicals ceases to be the subsidiary of the Company.

**Sintesis Quimica S.A.I.C. was step down subsidiary of Punjab Chemicals and Crop Protection Limited through STS Chemicals (UK) Limited and SD Agchem (Europe) NV. During the previous year, STS Chemicals Limited (UK) and SD Agchem (Europe) NV, Belgium, wholly owned subsidiaries of the Company had sold their entire stake in Sintesis Quimica, S.A.I.C, Argentina, a step down subsidiary of the Company to a unrelated third party on 28 September 2017 after completion of necessary legal formalities in India and Argentina.

Consolidation procedure

(i) Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity. NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in Statement of Profit and Loss.

(v) Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in Statement of Profit and Loss.

(viii) Foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements, branches) including goodwill and fair value adjustments arising on acquisition, are translated into Indian Rupees, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Such exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Changes in Significant Accounting Policies

The Group has initially applied Ind AS 115 from l April 2018. A number of other new standards and amendments are also effective from l April 2018 but they do not have a material effect on the Group's financial statements.

Due to the transition methods chosen by the Group in applying the above standard, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard.

There is no significant impact of transition from Ind AS 18 to Ind AS 115 in recognizing revenue by the Group.

(d) Property, Plant and Equipment (PPE) and Intangible Assets

(i) *Property, plant and equipment*

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

(ii) *Intangible assets*

- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
  - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
  - Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.
- Intangible assets that are acquired (including implementation of software system) are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

(iii) *Depreciation and amortization methods, estimated useful lives and residual value*

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for the following classes of fixed assets which are depreciated based on the internal technical assessment of the management as under:

Category of assets	**Management estimate of useful life**	**Useful life as per Schedule II**
Factory building	5 years to 28 years	30 years
Office building	5 to 50 years	60 years
Plant and equipment	5 years to 20 years	15 years
Electrical Installation	12 years to 20 years	10 years
Vehicles	8 years	8 years
Furniture and fixtures	10 years	10 years

Leasehold land which qualifies as finance lease is amortised over the lease period on straight line basis.

Software systems are being amortised over a period of three years being their useful life. Product registration (including task charges, task force studies and other related expenses) are amortised over a period of ten years and Technical Know How are being amortised over a period of five years.

Depreciation and amortization on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date/month of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) *Derecognition*

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

(e) Non-current assets held for sale

Non-current assets, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment and intangible assets are no longer amortised or depreciated.

(f) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The Group depreciates investment property using the following useful lives from the date of original purchase.

Investment property	Management estimate of useful life	Useful life as per Schedule II
Building	5 years to 58 years	30 and 60 years
Plant and equipment	5 years to 20 years	15 years

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

(g) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Group may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable adoptionto present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Group recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Group in accordance with the contract and the cash flow that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(h) Impairment of non-financial assets

The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Group reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Inventories

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value.

The Group uses weighted average method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable. Fixed production overheads are included based on normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of relatedfinished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

(j) Revenue from contract with customers

The Group has initially applied Ind AS 115 from 1 April 2018.

Revenue recognition under Ind AS 18 (applicable before 1 April 2018)

Revenue from sale of products is recognised when the property in the goods, or all significant risks and rewards of ownership of the products have been transferred to the buyer, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of products as well as regarding its collection. Revenues measured at transaction price,(include excise duty till 30 June 2017, goods and service tax (GST) applicable w.e.f. 1 July 2017) and are shown net of GST, sales tax, value added tax and applicable discounts and allowances, if any.

Revenue includes only those sales for which the Group has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any sales for which the Group has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Goods sold on consignment are recorded as inventory until goods are sold by the consignee to the end customer.

Sale of services

Revenue from services rendered is recognised in statement of profit or loss based on the terms of agreements as and when the services are rendered and the related costs are incurred.

Revenue recognition under Ind AS 115 (applicable from 1 April 2018)

Under Ind AS 115, the group recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by geography.

Use of significant judgements in revenue recognition

a. The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c. The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

e. Revenue for fixed-price contract is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

f. Contract fulfilment costs are generally expensed as incurred except for certain expenses which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Sale of services

The Group offers services in fixed term contracts and short term arrangement. Revenue from service is recognized when obligation is performed or services are rendered.

The effect of initially applying Ind AS 115 is described in Note 2(c).

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except where the rentals are structured to increase in line with expected general inflation.

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Export benefits

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(k) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, thethe calculation of interest income reverts to the gross basis.

(l) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

(i) *Gratuity*

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the Group is funded with Life Insurance Corporation of India.

(ii) *Superannuation*

Certain employees of the Group are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Group to the plan during the year is charged to Statement of Profit and Loss.

(iii) *Provident fund*

The Group makes contribution towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan.

Group's contribution to the provident fund is charged to Statement of Profit and Loss.

Other long-term employee benefits:

Compensated absences:

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Group's liability in respect of other long-term employee benefits is recognised in the books of account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise

Termination benefits:

Termination benefits are recognised as an expense when, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(m) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- *Current tax*

  Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- *Deferred tax*

  Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

  – temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

  – temporary differences related to freehold land and investments in subsidiaries, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

  – taxable temporary differences arising on the initial recognition of goodwill.

  Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

  Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

  Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- *Minimum Alternative tax*

  Minimum Alternative tax ('MAT') under the provisions of Income-tax Act, 1961 is recognised as current tax in profit or loss. The credit available under the Act in respect of MAT paid is adjusted from deferred tax liability only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised adjusted from deferred tax liability is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(n) Provisions

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 cashflow sat a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(o) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually a rise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related as set is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

(p) Leases

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. If it is a lease arrangement, it is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

The group as lessee

Finance leases

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the less or) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

The group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in Plant, Property and Equipment. Lease income is treated as revenue and the same is credited to the statement of profit and loss on straight line basis. Costs including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage etc are recognized immediately in the statement of profit and loss.

(q) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

(r) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(s) Cash flow statement

Cash flows are reported using the indirect method, where by profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(t) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grantwill be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(u) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(v) Recent accounting pronouncements

Applicable standards issued but not yet effective

Ind AS 116 Leases:

The Group is required to adopt Ind AS 116, *Leases* from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, *Leases*.

The Group has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment.The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

i. Leases in which the Group is a lessee

The Group will recognise new assets and liabilities for its operating leases of Mumbai office (see Note 47). The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

No significant impact is expected for the Group's finance leases.

ii. Leases in which the Group is a lessor

The Group does not expects significant impact in lease agreement in which the Group is a lessor.

iii. Transition

The Group plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 01 April 2019. The Group will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 01 April 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the consolidated financial statements.

Amendment to Ind AS 12 – Income taxes:

On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 01 April 2019. The Group is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19– Plan amendment, Curtailment or Settlement-

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Group does not have any impact on account of this amendment.

Amendment to Ind AS 23– Borrowing cost:

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 23, 'Borrowing Costs', in connection with borrowing cost eligible for capitalization. As per amendment, borrowing costs related to specific borrowings that remain outstanding after the related qualifying asset is ready for intended use or for sale would subsequently be considered as part of the general borrowing costs of the entity.

The Group does not have any impact on account of this amendment.

Amendment to Ind AS 109– Financials Instruments:

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 9, 'Financials Instruments'. As per amendment, the financial assets with prepayment features that may result in negative compensation - e.g. the lender receives less than the par amount and accrued interest and effectively compensates the borrower for the borrower's early termination of the contract - to be measured at amortised cost or at FVOCI (subject to the business model assessment).

The Group does not have any impact on account of this amendment.

Note 3: Property, plant and equipment and Capital work in progress

Gross carrying amount Rs. in lacs

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total	Capital work in progress
Balance as at 1 April 2017	6,988	3	5,521	6,531	110	640	242	20,035	498
Additions	-	-	40	1,857	24	186	51	2,158	1,296
Disposals	-	-	-	40	-	12	1	53	1,548 #
Deletion of net block due to sale of Subsidiary	1,593	-	3,682	66	-	7	172	5,520	2
Balance as at 31 March 2018	**5,395**	**3**	**1,879**	**8,282**	**134**	**807**	**120**	**16,620**	**244**
Balance as at 1 April 2018	5,395	3	1,879	8,282	134	807	120	16,620	244
Additions	-	-	309	1,449	51	215	136	2,160	1,856
Disposals	-	-	2	83	1	39	3	128	1,518 #
Balance as at 31 March 2019	**5,395**	**3**	**2,186**	**9,648**	**184**	**983**	**253**	**18,652**	**582**
Accumulated depreciation									
Balance as at 1 April 2017	-	-	226	637	19	55	(3)	934	-
Depreciation for the year	-	-	162	693	20	89	27	991	-
Disposals	-	-	-	14	-	7	1	22	-
Balance as at 31 March 2018	**-**	**-**	**388**	**1,316**	**39**	**137**	**23**	**1,903**	**-**
Balance as at 1 April 2018	-	-	388	1,316	39	137	23	1,903	-
Depreciation for the year	-	-	142	766	18	116	37	1,079	-
Disposals	-	-	1	26	-	15	3	45	-
Balance as at 31 March 2019	**-**	**-**	**529**	**2,056**	**57**	**238**	**57**	**2,937**	**-**
Carrying amounts (net)									
As at 31 March 2018	**5,395**	**3**	**1,491**	**6,966**	**95**	**670**	**97**	**14,717**	**244**
As at 31 March 2019	**5,395**	**3**	**1,657**	**7,592**	**127**	**745**	**196**	**15,715**	**582**

Notes:

(a) *Furniture and Fixture held under Finance Lease*

Particulars	As at 31 March 2019	As at 31 March 2018
Cost	28	-
Accumulated Depreciation	1	-
Net carrying amount	27	-

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

c. Plant and equipment includes INR 98 (previous year: INR 55) of capitalization towards research and development.

d. Refer note 19 for information on property, plant and equipment pledged as security by the Company.

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

f. The Company has capitalized the following expenses of revenue nature to the cost of property, plant and equipment. (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

	31 March 2019	31 March 2018
Salaries, wages and bonus	21	34
Raw material consumption	-	21
Store consumption	383	101
Power and fuel	3	4
Finance costs	24	-
Others	-	8
	431	**168**

Represents capital work in progress capitalized during the current year and previous year.

Note 4: Investment property

Gross carrying amount Rs. in lacs

	Leasehold Land	Building	Plant and equipment	Total
Balance as at 1 April 2017	522	1,178	1,080	2,780
Disposals	-	-	-	-
Balance as at 31 March 2018	**522**	**1,178**	**1,080**	**2,780**
Balance as at 1 April 2018	**522**	**1,178**	**1,080**	**2,780**
Disposals	**-**	**-**	**492**	**492**
Balance as at 31 March 2019	**522**	**1,178**	**588**	**2,288**
Accumulated depreciation				
Balance as at 1 April 2017	9	9	151	169
Depreciation for the year	9	16	144	169
Disposals	-	-	-	-
Balance as at 31 March 2018	**18**	**25**	**295**	**338**
Balance as at 1 April 2018	18	25	295	338
Depreciation for the year	9	36	456 #	501
Disposals	**-**	**-**	430	430
Balance as at 31 March 2019	**27**	**61**	**321**	**409**
Carrying amount (net)				
As At 31 March 2018	**504**	**1,153**	**785**	**2,442**
As at 31 March 2019	**495**	**1,117**	**267**	**1,879**

includes INR 343 towards accelerated depreciation of assets no longer considered usable basis physical verification performed during the year.

Note 5: Other intangible assets and intangible assets under development

Gross carrying amount Rs. in lacs

	Computer Software	Product registrations	Technical Know how	Total	Intangible assets under development
Balance as at 1 April 2017	-	653	287	940	126
Additions	-	-	17	17	63
Additions - acquired	3	-	16	19	-
Disposals	-	-	-	-	17 ##
Balance as at 31 March 2018	**3**	**653**	**320**	**976**	**172**
Balance as at 1 April 2018	3	653	320	976	172
Additions	73	58	-	131	26
Additions - acquired	-	-	-	-	-
Disposals	-	-	-	-	111 ##
Balance as at 31 March 2019	**76**	**711**	**320**	**1,107**	**87**

	Computer Software	Product registrations	Technical Know how	Total	Intangible assets under development
Accumulated amortization					
Balance as at 1 April 2017	-	172	59	231	-
Amortisation for the year	1	168	65	234	-
Disposals	-	-	-	-	
Balance as at 31 March 2018	**1**	**340**	**124**	**465**	-
Balance as at 1 April 2018	**1**	**340**	**124**	465	**-**
Amortisation for the year	44	170	66	280	-
Disposals	-	-	-	-	-
Balance as at 31 March 2019	**45**	**510**	**190**	**745**	**-**
Carrying amounts (net)					
As at 31 March 2018	**2**	**313**	**196**	**511**	**172**
As at 31 March 2019	**31**	**201**	**130**	**362**	**87**

Notes

Represents intangible assets under development capitalized during current year and previous year.

Note 6: Investments

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
A. Non- current investments		
Quoted equity shares		
Equity shares at fair value through other comprehensive income		
1,700 (31 March 2018: 1,700) equity shares of INR 10 each fully paid-up in Dena Bank Limited*.	0.19	0.32
400 (31 March 2018: 400) equity shares of INR 10 each fully paid-up in Syndicate Bank Limited	0.18	0.22
	0.37	**0.54**
*Pursuant to Scheme of Amalgamation Dena Bank Limited has merged with Bank of Baroda effective 1 April 2019.		
Unquoted equity shares		
Other Companies (fair value through other comprehensive income)		
84,375 (31 March 2018: 84,375) equity shares of INR 10 each fully paid-up in Nimbua Green Field (Punjab) Limited	117	129
1,00,000 (31 March 2018: 100,000) equity shares of INR 10 each fully paid-up in Mohali Green Field Limited	10	10
	127	**139**
Total non current investments	**127**	**140**
Aggregate book value of quoted investments	0.54	0.54
Aggregate market value of quoted investments	0.37	0.54
Aggregate value of unquoted investments	127	139
Aggregate amount of impairment in value of non-current investments	-	-
B. Current investment		
Quoted		
Investments in mutual funds measured at fair value through statement of profit and loss 30,000 (31 March 2018: 30,000) units of INR 10 each in Baroda Pioneer Hybrid Fund.	-	3
Total current investments	**-**	**3**
Aggregate book value of quoted investments	-	3
Aggregate market value of quoted investments	-	3

Note 7: Trade receivables

(Unsecured, considered good unless otherwise stated)

Rs. in lacs

	As at 31 March 2019		As at 31 March 2018	
	Current	**Non-current**	**Current**	**Non-current**
Trade receivables	7,235	172	5,174	163
Receivable from related party	-	-	-	-
Less: Loss allowance	(972)	(172)	(948)	(163)
	6,263	**-**	**4,226**	**-**
For explanation on credit risk or credit management process refer Note 38 (b)				
Break-up of security details				
Trade receivable considered good -Secured	-	-	-	-
Trade receivable considered good -Unsecured	6,263	-	4,226	-
Trade receivable which have significant increase in credit risk	-	-	-	-
Trade receivable- credit impaired	972	172	948	163
Total	**7,235**	**172**	**5,174**	**163**
Less: Loss allowance	(972)	(172)	(948)	(163)
Total trade receivables	**6,263**	**-**	**4,226**	**-**

Note 8: Loans

(unsecured, considered good unless otherwise stated)

Rs. in lacs

	As at 31 March 2019		As at 31 March 2018	
	Current	**Non-current**	**Current**	**Non-current**
Security deposit	27	258	1,003	226
Advances recoverable from others				
- considered good	104	-	86	-
- considered doubtful	24	15	24	14
Less: expected credit loss for doubtful advances	(24)	(15)	(24)	(14)
	131	**258**	**1,089**	**226**
Break-up of loan details				
Loans considered good -Secured	-	-	-	-
Loans considered good -Unsecured	131	258	1,089	226
Loans which have significant increase in credit risk	-	-	-	-
Loans- credit impaired	24	15	24	14
Total	**155**	**273**	**1,113**	**240**
Less: Loss allowance	(24)	(15)	(24)	(14)
Total Loans	**131**	**258**	**1,089**	**226**

Note 9: Deferred tax asset (net)

Rs. in lacs

	As at 31 March 2019	**As at 31 March 2018**
Deferred tax assets on account of:		
- Expenses allowable on payment basis	838	1,270
- Expected credit loss allowance	727	882
- Expenses allowed on deferred basis under income tax	44	83
- Minimum alternate tax credit entitlement	10	147
Deferred tax liabilities on account of:		
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	1,580	1,715
- Impact of fair value of Corporate Debt Restructuring loan	-	52
Deferred tax asset (net)	**39**	**615**

Rs. in lacs

	As at 1 April 2017	Recognized in profit or loss	Recognized in other comprehensive income	As at 31 March 2018
2017-2018				
Deferred tax assets on account of:				
- Expenses allowable on payment basis	1,390	(127)	7	1,270
- Expected credit loss allowance	853	29	-	882
- Tax losses and unabsorbed depreciation carried forward	439	(439)	-	-
- Expenses allowed on deferred basis under income tax	120	(37)	-	83
- Minimum alternate tax credit entitlement	113	34		147
Deferred tax liabilities on account of:				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	1,661	54	-	1,715
- Impact of fair value of Corporate Debt Restructuring loan	184	(132)	-	52
Deferred tax asset (net)	**1,070**	**(462)**	**7**	**615**

	As at 1 April 2018	Recognized in profit or loss	Adjusted provision for tax and income tax	Recognized in other comprehensive income	As at 31 March 2019
2018-2019					
Deferred tax assets on account of:					
- Expenses allowable on payment basis	1,270	(609)	114	63	838
- Expected credit loss allowance	882	(155)	-	-	727
- Expenses allowed on deferred basis under income tax	83	(39)	-	-	44
- Minimum alternate tax credit entitlement	147	-	(137)	-	10
Deferred tax liabilities on account of					
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	1,715	(135)	-	-	1,580
- Impact of fair value of Corporate Debt Restructuring loan	52	(52)	-	-	-
Deferred tax asset (net)	**615**	**(616)**	**(23)**	**63**	**39**

Note 10: Income tax assets (net)

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Advance income-tax and tax deducted at source	649	647
(net of provision INR 744 (31 March 2018: INR 139)	**649**	**647**

Note 11: Other non-current assets

(Unsecured, considered good unless otherwise stated)

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Capital advances		
- to others	297	6 0
	297	**60**

Note 12: Inventories

(At lower of cost and net realizable value, whichever is lower) Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Raw materials #	3,782	2,803
Work-in-progress	1,412	986
Finished goods #	2,606	2,620
Packing material	100	98
Stores and spares	260	193
	8,160	**6,700**
Notes		
# Material in transit		
- raw material	744	261
- Finished goods	1,014	-

Amount of write down of inventories to net realizable value (NRV) and other provisions/ loss recognized in the Statement of Profit and Loss as an expenses INR Nil (31 March 2018 INR Nil). The reversal of write-downs during the year amounted to INR Nil (31 March 2018: INR 27). The write downs and reversal are included in the cost of material consumed or changes in inventories of finished goods, work-in progress and stock-in- trade.

Note 13: Cash and cash equivalents

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Balances with banks		
- Current accounts	181	102
- Fixed deposits with original maturity upto three months	21	303
Cash on hand	3	2
	205	**407**

Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of corporate affairs: The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

Note 14: Other bank balances

Rs. in lacs

	Note	As at 31 March 2019	As at 31 March 2018
Deposit accounts with original maturity more than 3 months and upto 12 months from the reporting date	(a)	155	165
		155	**165**

Note: These deposits include restricted bank deposits INR 155 (31 March 2018: INR 165) pledged as margin money.

Note 15: Other financial assets

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Interest receivable	44	-
Export incentive recoverable	647	64
Insurance claim receivable	2	485
Contract assets	307	22
Cost of fulfilment of contracts	92	405
Other receivable	4	42
	1,096	**1,018**

Contract fulfillment costs of INR Nil (PY: INR Nil) has been amortised in the Statement of Profit and Loss. Refer note 26 for the changes in contract asset.

Note 16: Other current assets

(Unsecured, considered good unless otherwise stated) Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Recoverable from/ balances with government authorities		
- considered good	895	2,041
- considered doubtful	186	194
Less : expected credit loss for balance recoverable from government authorities	(186)	(194)
Advances for supply of goods	117	39
Prepaid expenses	98	78
Asset held for sale	-	28
Others	2	16
	1,112	**2,202**

Note 17: Equity Share capital

(i) *Details of share capital* Rs. in lacs

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of INR 10 each.	19,800,000	1,980	19,800,000	1,980
9.8% redeemable cumulative preference	20,000	20	20,000	20
shares of INR 100 each	**19,820,000**	**2,000**	**19,820,000**	**2,000**
Issued Shares				
Equity shares of INR 10 each fully paid up	12,277,218	1,228	12,277,218	1,228
	12,277,218	**1,228**	**12,277,218**	**1,228**
Subscribed and fully paid up				
Equity shares of INR 10 each fully paid up*	12,262,185	1,226	12,262,185	1,226
	12,262,185	**1,226**	**12,262,185**	**1,226**

* The Board has recommended a dividend of Rs. 1.50 per equity share of Rs. 10 each fully paid up amounting to Rs. 184 Lac, subject to approval in the Annual General Meeting.

(ii) *Reconciliation of number of shares outstanding at the beginning and end of the reporting year* Rs. in lacs

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Balance at the beginning and at the end of the year	12,262,185	1,226	12,262,185	1,226

(iii) *Rights, preference and restriction attached to shares*

The Group has only one class of equity shares having a par value of INR 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Group's residual assets on winding up. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the group, the holders of equity shares will be entitled to receive the remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) *Details of shareholders holding more than 5% shares in the group*

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of INR 10 each fully paid				
Hem-sil Trading and Manufacturing Private Limited	4,017,318	33%	4,017,318	33%
Gowal Consulting Services Private Limited	3,000,000	24%	3,000,000	24%

(v) *Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2019.*

During the five years immediately preceding 31 March 2019, neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash.

Note 18: Other equity

(i) *Capital reserve*

Capital reserve represents the forfeited share application money of INR 185 received for preferential convertible warrants in 2008-2009 and INR 124 received for equity convertible warrant in 2009-2010.

(ii) *Capital redemption reserve*

Capital redemption reserve is carried forward in the consolidated balance sheet of the Group post merger of Parul Chemical Limited into the Group during the year 2010-2011.

(iii) *Capital reduction reserve*

Capital reduction reserve is carried forward in the consolidated balance sheet of the Group post merger of Parul Chemical Limited into the Group during the year 2010-2011.

(iv) *Securities premium*

Securities premium represents the excess consideration received by the Group over the face value of the shares issued to shareholders. This will be utilized in accordance with the applicable provisions of the Companies Act, 2013.

(v) *Amalgamation reserve*

Amalgamation reserve is carried forward in the consolidated balance sheet of the Group post merger of Parul Chemical Limited into the Group during the year 2010-2011.

(vi) *Foreign currency translation reserve*

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Group dispose or partially dispose off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

(vii) *Retained earnings*

Retained earnings represents the profits that the Group has earned till date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

(viii) *Equity instruments through Other Comprehensive Income*

The Group has elected to recognise changes in the fair value of certain investments in equity securities of other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The Group transfers amounts there from to retained earning when the relevant equity securities are derecognised.

Note 19: Borrowings

Rs. in lacs

	Note	As at 31 March 2019	As at 31 March 2018
A. *Non-current borrowings*			
Secured			
From Banks			
Term loan	(I)[(i - iii)], (IX)[(i - iii)]	-	6,272
Working capital demand loan	(I)(iv)	-	51
Vehicle finance scheme	(II)	4	10
From Others			
Housing finance scheme	(III)	-	10
Vehicle finance scheme	(IV), (V), (VI)	152	62
Hire Purchase finance scheme	(VII)	16	-
Finance Lease obligation	(VIII)	21	-
		193	**6,405**
Unsecured			
From Others			
Inter-corporate deposits			
- from related party	B(iii)	1,000	**-**
		1,000	**-**
Total non current borrowings (including current maturities)		**1,193**	**6,405**
Less : Current maturities of non-current borrowings (refer note no. 20)*		93	1,586
		1,100	**4,819**

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

I. In accordance with the Corporate Debt Restructuring Scheme (CDR) approved by the Corporate Debt Restructuring Empowered Group, SBICAP Trustee Company Limited was appointed as the Security Trustee for the benefit of the Lenders of the Company and acting as an agent for SBI Antwerp, Belgium for the loan taken by one of the subsidiary of the Company. In pursuance of master restructuring agreement signed as per CDR scheme and the SBI Antwerp document, the term loan amounting to INR Nil (31 March 2018: INR 6,272) and working capital demand loan amounting to INR Nil (31 March 2018: INR 51) was secured by way of first pari passu charge on movable assets including current assets and immovable assets of Derabassi and Lalru unit, pledge of unencumbered shares of one of the promoter and the personal guarantee of promoter of the Company. These comprised:
   i. Term loans amounting to INR Nil (31 March 2018: INR 3,070) carrying interest rate of Nil % p.a. (31 March 2018: 10.75%). Principal amount of INR Nil (31 March 2018: INR 191) was overdue for a period of Nil (31 March 2018: 1 day) as on the reporting date.
   ii. Working capital term loans amounting to INR Nil (31 March 2018: INR 1,633) carrying interest rate of Nil % p.a. (31 March 2018: 8% p.a;). Principal amount of INR Nil (31 March 2018: INR 43) was overdue for a period of Nil (31 March 2018: 1 day).
   iii. Funded interest term loan amounting to INR Nil (31 March 2018: INR 1,569) carrying interest rate of Nil % p.a. (31 March 2018: 8% p.a.). Principal amount of INR Nil (31 March 2018: INR 54) was overdue for a period of Nil days (31 March 2018: 91 day;) as on the reporting date.
   iv. Working capital demand loans amounting to INR Nil (31 March 2018: INR 51) carrying interest rate of Nil % p.a. (31 March 2018: 10.75% p.a.). Principal amount INR Nil (31 March 2018: INR 51) was overdue for Nil days (31 March 2018: 2009 days) as on the reporting date.

II. Loan from Axis Bank Limited under vehicle finance scheme amounting to INR 4 (31 March 2018: INR 10) is secured by exclusive charge by way of hypothecation of vehicles purchased under said Scheme and carrying interest rate of 9.41% (31 March 2018: 9.41%) and is repayable in 8 EMIs. (31 March 2018: 20 EMIs)

III. Loan from Housing Development Finance Corporation Limited for INR Nil (31 March 2018: INR 10) is secured by equitable mortgage by way of the deposit of the title deeds of the properties of respective employees who have availed the loan under said Schemes and is carrying interest rate of Nil (31 March 2018: 11% p.a.;) and was repaid during the year.

IV. Loan from Kotak Mahindra Prime Limited under vehicle finance scheme amounting to INR 2 (31 March 2018: INR 4) is secured by exclusive charge by way of hypothecation of vehicles purchased under said Scheme and carrying interest rate of 9.4% (31 March 2018: 9.4%) and is repayable in 8 EMIs (31 March 2018: 20 EMIs).

V. Loan from Mahindra & Mahindra Finance Services Limited under vehicle finance scheme amounting to INR 36 (31 March 2018: INR 58) is secured by exclusive charge by way of hypothecation of vehicles purchased under said Scheme and carrying interest rate of 11.02% (31 March 2018: 11.02%) and is repayable in 12-20 EMIs (31 March 2018: 24-32 EMIs).

VI. Loan from Indostar Capital Finance Limited under vehicle finance scheme amounting to INR 114 (31 March 2018: INR Nil) is secured by exclusive charge by way of hypothecation of vehicles purchased under said Scheme and carrying interest rate of 11.03% (31 March 2018: Nil%) and is repayable in 24 EMIs (31 March 2018: Nil EMIs).

VII. Loan from Hewlett Packard Financial Services (India) Private Limited under hire purchase scheme amounting to INR 16 (31 March 2018 : INR Nil) for purchase of computer hardware and carrying interest rate of 13.86% (31 March 2018: Nil%) and payable in 11 quarterly instalments (31 March 2018 : Nil quarterly instalments).

VIII. Loan from Hewlett Packard Financial Services (India) Private Limited under hire purchase scehme amounting to INR 16 (31 March 2018 : INR Nil) for purchase of computer hardware and carrying interest rate of 11.57% (31 March 2018: Nil%) and payable in 11 quarterly instalments (31 March 2018 : Nil quarterly instalments).

IX. One time settlement

i One Time Settlement (OTS) with Central Bank of India

During the previous year, the Company had paid balance amount of INR 1,208 towards One Time Settlement (OTS) from Central bank of India and obtained No Dues Certificate. Accordingly, net write back of INR 326 had been recognized and disclosed as exceptional items in the statement of profit and loss.

ii. Corporate Debt Restructuring

In the earlier periods, the Company had obtained an approval for Debt Restructuring (referred to as 'CDR') from the Corporate Debt Restructuring Empowered Group ('CDR EG'). As per the CDR Scheme, the Company was liable to pay working capital demand loan amounting to INR 5,000 till September 2012, out of which the Company has repaid INR 4,949 (31 March 2017: INR 4,949) as of 31 March 2018. The balance amount of INR 51 represents excess interest charged by one of the member of the CDR Scheme which will be adjusted/refunded.

iii. One Time Settlement (OTS) with Union Bank, Bank of Baroda, Allahabad Bank and Exim Bank.

In accordance with the Corporate Debt Restructuring Scheme (CDR) approved by the Corporate Debt Restructuring Empowered Group, the Company had outstanding borrowings from four scheduled banks amountig to INR 11,204 as 31 March 2018 . During the year, the Company has repaid the scheduled banks borrowing under OTS agreement. As a bridge finance, the Company had raised the funds through Inter Corporate Deposits amounting to INR 8,800 from promoter group company and other non-related company. The Company has also paid an additional amount of Rs. 838 as one time settlement fees for OTS which has been disclosed as exceptional item (also refer note 35). The unamortized portion of interest of Rs. 149 on borrowing was charged to finance cost (also refer note 32).

B. ***Current borrowings*** Rs. in lacs

	Note	As at 31 March 2019	As at 31 March 2018
Cash credit from banks (secured)	(i),(ii)	-	4,665
Inter-corporate deposits (unsecured)	(iii)		
- from related party		3,635	385
- from others		4,200	100
Book overdraft		115	131
		7,950	**5,281**
		9,050	**10,100**

Notes

i. In accordance with the Corporate Debt Restructuring Scheme (CDR) approved by the Corporate Debt Restructuring Empowered Group, SBICAP Trustee Company Limited was appointed as the Security Trustee for the benefit of the Lenders of the Company and acting as an agent for SBI Antwerp, Belgium for the loan taken by one of the subsidiary of the Company. In pursuance of master restructuring agreement signed as per CDR scheme and the SBI Antwerp document, the cash credit amounting to INR Nil (31 March 2018: INR 4,665) is secured by way of first pari passu charge on movable assets including current assets and immovable assets of Derabassi and Lalru unit, pledge of unencumbered shares of one of the promoter and the personal guarantee of promoter of the Group.

ii. Cash credit amounting to INR Nil (31 March 2018: INR 4,665) was carrying interest rate of Nil % p.a. (31 March 2018: 10.75% p.a).

iii. Inter-corporate deposits amounting to INR 8,835 (31 March 2018: INR 485) is carrying interest rate of 12.75% to 16.50% p.a (31 March 2018: 11% to 12.75% p.a).

C. Reconciliation of movements of liabilities to cash flows arising from financing activities Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Borrowings at the beginning of the year (current and non current) including short term	11,687	15,133
Borrowings of subsidiary excluded on sale of subsidiary during the year	-	(877)
Proceeds from non-current borrowings	1,175	57
Repayments of non-current borrowings	(6,538)	(2,977)
Proceeds of current borrowings	7,950	
Repayment of current borrowings	(5,281)	295
Write back of borrowings along with accrued interest on one time settlement	-	(326)
Unwinding of fair value of CDR loan	150	382
Borrowings at the end of the year (current and non current)	**9,143**	**11,687**

Note 20: Other financial liabilities

Rs. in lacs

	As at 31 March 2019		As at 31 March 2018	
	Current	Non-current	Current	Non-current
Current maturities of non current borrowings (refer note 19)	93	-	1,586	-
Interest accrued and due on borrowings	134	-	66	-
Employee related liabilities	529	-	468	-
Interest bearing security deposits from customers	68	-	70	-
Security deposit from employees	253	-	228	-
Payable to promoters towards one time settlement	358	-	358	-
Capital creditors	224	-	190	-
Advance for capex	743	358	-	-
Others	1,265	-	1,158	-
	3,667	**358**	**4,124**	**-**

Note 21: Provisions

Rs. in lacs

	As at 31 March 2019		As at 31 March 2018	
	Current	Non-current	Current	Non-current
Provision for employee benefits (refer note 40)				
Liability for Gratuity	414	1,555	319	1,298
Liability for compensated absences	219	652	2	667
	633	**2,207**	**321**	**1,965**

Note 22: Other non-current liabilities

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Deferred government grant	6	8
Deferred Interest income	32	-
Deferred revenue	16	14
	54	**22**

Note 23: Trade payables

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Dues to Micro Enterprises and Small Enterprises (refer note below)	45	-
Other trade payables	11,263	10,774
	11,308	**10,774**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Group as under :

Rs. in lacs

Particulars	As at 31 March 2019	As at 31 March 2018
(a) The principal amount remaining unpaid to any supplier at the end of the year	45	-
(b) The interest due on principal amount remaining unpaid to any supplier as at the end of year	0.15	-
(c) The amount of interest paid by the Group in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act”); along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED act	0.06	-
(e) The amount of interest accrued and remaining unpaid at the end of year	0.21	-
(f) 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 expense under the MSMED Act	-	-

Note 24: Other current liabilities

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Advance for sale of Property, plant and equipment*	45	45
Advance from customers	102	459
Deferred revenue	76	56
Deferred interest income	88	-
Deferred government grant	2	2
Statutory dues	268	167
	581	**729**

*During the earlier years the Company had decided to sell off of its Pune unit against which the Company has received an advance of INR 45.

Note 25: Current tax liabilities (net)

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Provision for income tax (net of advance tax of INR 388 (31 March 2018: INR 166))	173	132
	173	**132**

Note 26: Revenue from operations

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products (including excise duty to the extent applicable)		
Finished goods	56,123	40,990
Traded goods	1,699	1,889
Sale of services	3,970	5,133
Other operating revenues:		
Scrap sales	146	112
Export incentive	2,169	1,417
Others	187	51
Total	**64,294**	**49,592**

Revenue disaggregation by geography is as follows:

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Geography		
India	23,181	19,962
Outside India		
Europe (including United Kingdom)	19,822	16,712
Japan	9,216	6,101
Others	12,075	6,817
Total	**64,294**	**49,592**

Information about major customers:

Revenue from 2 customer of the Company amounting to INR 24,494 and INR 7,712 respectively, during the year 2018-19 (2 customers amounting to INR 22,959 and INR 6,079 respectively, in the previous year 2017-2018) constitutes more than 10% of the total revenue of Company.

Changes in Contract assets are as follows:

Rs. in lacs

	Year ended 31 March 2019
Balance at the beginning of the year	405
Invoices raised during the year	(405)
Revenue recognised during the year (yet to be invoiced)	307
Balance at the end of the year	**307**

Changes in Deferred revenue are as follows:

Rs. in lacs

	Year ended 31 March 2019
Balance at the beginning of the year	70
Revenue recognised during the year	23
Balance at the end of the year	**93**

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

Rs. in lacs

	Year ended 31 March 2019
Contracted price	64,380
Reductions towards variable consideration components*	(86)
Revenue recognised	**64,294**

*The reduction towards variable consideration comprises of trade discount.

Note 27: Other income

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest income		
- on fixed deposits	15	25
- others	24	167
Reversal of impairment loss on doubtful debts and advances (net of doubtful debts and advance written off Rs. 16)	5	147
Rental income	458	458
Amortisation of government grant	2	2
Exchange gain on foreign exchange fluctuation (net)	-	281
Gain on sale of investments	-	2
Gain on disposal of susbsidiary	51	-
Gain on sale of property, plant and equipment (net)	2	3
Recovery against advance written off	91	-
Others	8	15
	656	**1,100**

Note 28: Cost of materials consumed

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Inventory of raw material at the beginning of the year	2,803	2,084
Less: Stock adjustment on sale of subsidiary (refer note 44)	-	228
	2,803	1,856
Add: Purchases of raw materials	40,721	30,540
Less: Inventory of raw material at the end of the year	(3,782)	(2,803)
	39,742	**29,593**

Note 29: Purchases of stock-in-trade

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Chemicals	583	156
	583	**156**

Note 30: Changes in inventories of finished goods, stock-in-trade and work-in-progress

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Opening stock		
Work-in-progress	986	977
Finished goods	2,620	3,046
Less:	**3,606**	**4,023**
Stock adjustment on sale of subsidiary (refer note 44)	**-**	**598**
	3,606	**3,425**
Less:		
Closing stock		
Work-in-progress	1,412	986
Finished goods	2,606	2,620
	4,018	**3,606**
Increase in excise duty on closing stock of finished goods	-	(108)
	(412)	**(289)**

Note 31: Employee benefits expense

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	5,428	4,487
Contribution to provident and other funds	566	501
Staff welfare expenses	359	440
	6,353	**5,428**

Note 32: Finance costs

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense on financial liabilities measured at amortised cost	1,582	1,652
Other borrowing cost	125	116
Other cost	19	
	1,726	**1,768**

Note 33: Depreciation and amortization expense

Rs. in lacs

	Note	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment	3	1,079	991
Depreciation of investment property	4	501	169
Amortization of intangible assets	5	280	234
		1,860	**1,394**

Note 34: Other expense

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Stores and spares consumed	301	299
Power and fuel	4,672	4,200
Repairs and maintenance	1,104	987
Sub-contracting charges	561	478
Rent	155	149
Rates and taxes	77	143
Insurance charges	95	92
Traveling and conveyance	662	542
Commission on sales	136	127
Packing expenses	704	576
Freight and handling expenses	666	902
Job work expenses	74	74
Legal and professional fees	556	311
Director’s sitting fees	12	10
Charity and donations (other than political parties)	3	2
Corporate Social Responsibility expenditure	52	42
Advances written off	37	67
Property, plant and equipment written off	53	11
Loss on sale of plant, property and equipment (net)	19	-
Expected credit loss on trade receivables and advances	44	66
Loss on sale of investments	-	210
Marketing and promotional expenses	104	31
Reversal of FCTR on disposal of subsidairy	76	-
Exchange loss on foreign exchange fluctuations	296	29
Miscellaneous expenses	925	927
	11,384	**10,275**

Note 35: Exceptional item

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Write back of borrowing alongwith accrued interest on one time settlement	-	326
Charges incurred on one time settlement of borrowings	(838)	-
	(838)	**326**

Note: Also refer note 19A.IX(iii)

Note 36: Tax expense

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
a) *Income tax recognised in statement of profit and loss*		
Current tax	542	297
Adjustments in respect of current tax of previous year	38	(51)
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	616	462
Total tax expense recognised	**1,196**	**708**

b) *Reconciliation of effective tax rate*

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Accounting profit before income tax	**2,876**	**2,426**
At India's statutory tax rate of 34.94% (31 March 2018: 34.94%)	1,004	848
Effect of expense that are non-deductible expenses in determining taxable profits	31	38
Share of profit/ (loss) due to subsidiaries	159	(111)
Effect of increase in tax rate	-	(9)
Effect of change in estimate related to previous year	38	(51)
Others	(37)	(7)
At the effective income tax rate of 34.94% (31 March 2018: 34.94%)	**1,196**	**708**

c) *Income tax expense recognised in other comprehensive income*	**As at 31 March 2019**	**As at 31 March 2018**
Deferred tax assets/(liabilities)		
Arising on income and expenses recognised in other comprehensive income		
- Remeasurement of defined benefit obligation	59	12
- Equity investments through other comprehensive income-net change in fair value	4	(5)
Total income tax recognised in other comprehensive income	**63**	**7**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	63	7
Items that will be reclassified to profit or loss	-	-
	63	**7**

Note 37: Earnings per share

Rs. in lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Profit after tax for basic and diluted EPS per share	1,680	1,718
Weighted average number of equity shares	12,262,185	12,262,185
Basic and diluted earnings/per share (Face value of INR 10 each)	**13.70**	**14.01**

Note 38(a): Fair values

Rs. in lacs

Financial instruments by category and fair values	Note	Level of hierarchy	As at 31 March 2019			As at 31 March 2018		
			FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
Financial assets								
Non current								
Investment in equity shares of others (unquoted)	(d)	3	-	-	127	-	-	139
Investment in equity shares of others (quoted)	(d)	1	-	-	-	-	-	1
Loans	(b)	3	-	258	-	-	226	-
Current								
Investments	(d)	1	-	-	-	3	-	-
Trade receivables	(a)	3	-	6,263	-	-	4,226	-
Cash and cash equivalents	(a)	3	-	205	-	-	407	-
Other bank balances	(a)	3	-	155	-	-	165	-
Loans	(a)	3	-	131	-	-	1,089	-
Other financial assets	(a)	3	-	1,096	-	-	1,018	-
Total financial assets			**-**	**8,108**	**127**	**3**	**7,131**	**140**
Financial liabilities								
Non-current								
Borrowings (including current maturities)	(c)	3	-	1,193	-	-	6,405	-
Other financial liabilities		3	-	358	-	-	-	-
Current								
Borrowings	(a) (c)	3	-	7,950	-	-	5,281	-
Trade payables	(a)	3	-	11,308	-	-	10,774	-
Other financial liabilities	(a)	3	-	3,574	-	-	2,538	-
Total financial liabilities			**-**	**24,383**	**-**	**-**	**24,998**	**-**

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair value of non-current financial assets has not been disclosed as there is no significant differences between carrying value and fair value.

(c) The fair value of borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates. Management have used external valuation report for the fair value rate of borrowings under CDR arrangement. Fair value of non-current financial liabilities has not been disclosed as there is no significant difference between carrying value and fair value.

(d) For quoted investments, market value is taken as fair value. The fair value in respect of the unquoted equity investments is calculated based an discounted cash follow method.

Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets	Amount
As at March 31, 2017	**126**
Re-measurement recognized in OCI	**14**
Sales	(1)
As at March 31, 2018	**139**
Re-measurement recognized in OCI	(12)
As at March 31, 2019	**127**

Note 38(b): Financial risk management

(i) *Risk management framework*

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk (see (ii));
- Liquidity risk (see (iii));and
- Market risk (see (iv))

(ii) *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Company's receivable from customers and loans. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Rs. in lacs

Particulars	As at 31 March 2019	As at 31 March 2018
- Investments	127	143
- Trade receivables	6,263	4,226
- Cash and cash equivalents	205	407
- Other bank balances	155	165
- Loans	389	1,315
- Other financial assets	1,096	1,018

Trade receivables

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances/deposits and credit limit determined by the company.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

Particulars	Gross Carrying amount	Loss allowance	Carrying amount
31 March 2019			
Less than 6 Months	6,093	-	6,093
More than 6 Months	1,314	1,144	170
	7,407	**1,144**	**6,263**
31 March 2018			
Less than 6 Months	4,005	-	4,005
More than 6 Months	1,332	1,111	221
	5,337	**1,111**	**4,226**

The movement in the allowance for impairment in respect of trade receivables is as follows Rs. in lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at the beginning of the year	1,111	1,165
Provision made during the year	45	28
Amounts written back	(12)	(82)
Balance as at the end of the year	**1,144**	**1,111**

The loans primarily represents security deposits, advances recoverable and loans to related parties. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for excepted credit loss has been provided on these financial assets. Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

Cash and cash equivalents

The Company holds cash and cash equivalents of INR 205 at 31 March 2019 (31 March 2018: INR 407). The cash and cash equivalents are held with scheduled banks.

(iii) ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities. The Company will continue to consider various borrowings or leasing options to maximize liquidity and supplement cash requirements as necessary.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

Contractual cash flow

	Less than 1 year	1 to 5 years	> 5 years	Total
As at 31 March 2019				
Borrowings (including current maturities)	8,034	1,100	-	9,143
Trade and other payables	11,308	-	-	11,308
Other financial liabilities	3,932	-	-	3,932
	23,283	**1,100**	**-**	**24,383**
As at 31 March 2018				
Borrowings (including current maturities)	6,867	4,969	-	11,836
Trade and other payables	10,774	-	-	10,774
Other financial liabilities	2,538	-	-	2,538
	20,179	**4,969**	**-**	**25,148**

(iv) Market risk

(a) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material prices under check to the extent possible.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings. However Company's borrowings are fixed rate of interest. Hence, the Company is not significantly exposed to interest rate risk.

The exposure of the Company's borrowing to fixed interest rate as reported at the end of the reporting period are as follows:

Rs. in lacs

	As at 31 March 2019	As at 1 April 2018
Fixed rate borrowings	9,143	11,836
	9,143	**11,836**

(c) Foreign currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which purchases are denominated and the functional currency of the Company. The currencies in the which the Company is exposed to risk are GBP, USD, EUR. The Company evaluates this risk on a regular basis and appropriate risk mitigating steps.

Rs. in lacs

		As at 31 March 2019		As at 31 March 2018	
Foreign Exchange Exposures outstanding at the year end	**Currency**	**Amount in (INR)**	**Amount foreign currency**	**Amount in (INR)**	**Amount foreign currency**
Trade receivable / advances to vendors	EUR	2,042	27	648	8
	USD	3,578	52	1,995	31
	GBP	11	0.13	-	-
Trade payable / advances from customers	EUR	95	1	99	1
	USD	1,830	26	1,223	19
		3,706	**52**	**1,321**	**19**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2019 and 31 March 2018 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Rs. in lacs

Particulars	**Profit or Loss**		**Equity, net of tax**	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 March 2019				
USD (2% movement)	(35)	35	(23)	23
EURO (2% movement)	(39)	39	(25)	25
GBP (2% movement)	(0.22)	0.22	(0)	0
31 March 2018				
USD (2% movement)	(16)	16	(9)	10
EURO (2% movement)	(11)	11	(7)	7

Note 39(a): Measurement of fair values of investment property

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Fair value of investment property	3,716	4,428

Fair value hierarchy

The fair value of investment property has been determined by external expert, having appropriate recognized professional qualifications and recent experience category of the property being valued.

The fair value measurement for the investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique

The Company follows discounted cash flows technique. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Investment property comprise of a commercial property that is leased to third party. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

Note 39(b): Capital management

Risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital. The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total borrowings net of cash and cash equivalents and other bank balances. Equity comprises all components of equity (as shown in the Balance Sheet).

The Company's adjusted net debt to equity ratio was as follows. Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Total liabilities	28,031	28,167
Less: cash and cash equivalents and other bank balances	(360)	(572)
Adjusted net debt	27,671	27,595
Total equity	9,086	7,417
Adjusted net debt to equity ratio	**3.05**	**3.72**

Note 40: Employee benefits

Rs. in lacs

		As at 31 March 2019	As at 31 March 2018
I.	Assets and liabilities relating to employee benefits		
	Non-current		
	Liability for gratuity	1,555	1,298
	Liability for leave encashment	652	667
		2,207	**1,965**
	Current		
	Liability for gratuity	414	319
	Liability for leave encashment	219	2
		633	**321**
		2,840	**2,286**

For details about the related employee benefit expenses, refer to note no. 31.

II. *Defined contribution plan*

a. Provident Fund and and employee's state insurance

The Company's provident fund scheme and employee's state insurance (ESI) fund scheme are defined contribution plans. The Company has no obligation other than to make the specified contributions.

b. Superannuation Fund

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has recognised following amounts as expense in the Statement of Profit and Loss : Rs. in lacs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Included in Contribution to Provident and Other Funds (Refer Note 31)		
Provident Fund	327	279
Superannuation Fund	201	193
ESI Contribution	29	27
	557	**499**

III. Defined benefit plan - Gratuity

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

The expected contribution to defined benefit plan in 2019-2020 is INR 240.

The following table sets out the status of the defined benefit plan as required under Ind-AS 19 - Employee Benefits:

b) Reconciliation of present value of defined benefit obligation Rs. in lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	1,709	1,464
Interest cost	133	110
Current service cost	83	72
Past service cost	-	111
Benefits paid	(72)	(81)
Total Actuarial gain on obligation	167	33
Balance at the end of the year	**2,020**	**1,709**

c) Reconciliation of the present value of plan assets Rs. in lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	93	144
Expected Interest Income	7	11
Contributions paid by the employer	16	6
Benefits paid	(64)	(66)
Actuarial loss for the year on Assets	(2)	(2)
Balance at the end of the year	**50**	**93**

d) Expense recognised in profit or loss Rs. in lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Total service cost	83	183
Interest cost on benefit obligation	125	99
Net benefit expense	208	282

e) Remeasurements recognised in other comprehensive income Rs. in lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Actuarial loss/(gain) for the year on Present defined benefit obligation	167	33
Actuarial loss/(gain) for the year on Assets	2	2
Total Actuarial gain / (loss) for the year	169	35

f) *Plan assets*

100% of the plan assets are managed by LIC

g) *Actuarial assumptions*

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate (per annum)	7.66%	7.75%
Future salary growth rate (per annum)	5.50%	5%
Retirement Age	58	58
Mortality rate	100% of IALM (2006-08)	100% of IALM (2006-08)

h) *Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Rs. in lacs

	As at 31 March 2019		As at 31 March 2018	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (0.5% movement)	(54)	58	(49)	51
Future salary growth rate (0.5% movement)	56	(54)	51	(48)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i) *Expected benefit payments*

Undiscounted amount of expected benefit payments for next 10 years are as follows: Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Within 1 year	415	318
1-2 year	27	56
2-3 year	67	117
3-4 year	40	71
4-5 year	160	133
5-10 years	1,312	1,014

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13.09 years (31 March 2018: 13.09 years).

Note 41: Commitments and contingencies

(to the extent not provided for)

i) Claims against the company not acknowledged as debts Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Excise duty matters	36	363
Service Tax matters	17	19
Income Tax matters	761	760
Sales tax matters	11	11
Labour laws matters	8	14
Civil matters	1,004	877
	1,837	**2,044**

Notes:

1. The Company is contesting the demands and the management, including its tax advisors, believe that its position will be likely be upheld in appellate process. No tax expense has been accrued in financial statements for the tax demand raised. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operations.
2. The Company shall indemnify the damages to the Managing Director/Directors in case their personal guarantees are invoked in respect of loans, backed by their personal guarantees.
3. Pursuant to recent judgement by the hon'ble supreme court dated 28 Febuary 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However there is uncertainty with respect to the applicable of the judgement and period from which the same applies. The Company has estimated the impact of the same post 28 Febuary 2019 and recognised in the financial statement.

   Owing to the aforsaid uncertainty and pending clarification from the authority in this regard, the Company has not recognised any provision for the period prior to date of judgement. Further management also believes that the impact of the same on the company will not be material.

ii) Other Commitments

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	776	238
Amount payable under non-cancellable leases	201	366

Note 42: Related party disclosures

I. *List of related parties and nature of related party relationship, where control exists: Nil*

II. *List of related parties and nature of relationship with whom transactions have taken place during the current/ previous year*

Description of Relationship	Name of the Party
Enterprises where control over the composition of Governing Body exists	Hemsil Trading & Manufacturing Private Limited L & L Products Shroff Private Limited (upto 28 June, 2017)
Key managerial personnel	Mr. Shalil Shroff (Managing Director) Mr. Avtar Singh (Whole time Director) Mr. Vipul Joshi (Chief Financial Officer) Mr. Punit K Abrol (Sr. Vice President (Finance) & Company Secretary) Mr. Jain Prakash (Sr. Vice President (Works))
Non Executive Directors	Mr Mukesh D Patel Mr. Vijay Dilbagh Rai Smt. Sindhu Seth (upto 29 May 2018) Mr. Sheo Prasad Singh Capt. S S Chopra (Retd.) Mrs Aruna Bhinge (from 29 May 2018) Mr. S.S.Tiwari
Relatives of key managerial personnel	Mrs. Shaila Shroff Mrs. Bhupinder Kaur Mrs. Ravinder Kaur (upto 28 February 2019) Mr. Jaskaran Singh Ms. Sonal Tiwari

III. *Transactions with related parties during the current/ previous year*

Rs. in lacs

Nature of transactions	Relationship	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Loans taken, deposits received, advances received during the year			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	4,400	88
b. Rent/ service charges income/ (expense) during the year			
L & L Products Shroff Private Limited	Enterprises where control over the composition of Governing Body exists	-	1
c. Loans repayment during the year			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	150	17
d. Interest expense during the year			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	517	39

Rs. in lacs

	Nature of transactions	Relationship	For the year ended 31 March 2019	For the year ended 31 March 2018
e.	**Employee benefits paid**			
	Short term employee benefits			
	Mr. Shalil Shroff	Key managerial personnel	134	95
	Mr. Avtar Singh	Key managerial personnel	112	93
	Mr. Vipul Joshi	Key managerial personnel	82	68
	Mr. Punit K Abrol	Key managerial personnel	65	55
	Mr. Jain Prakash	Key managerial personnel	67	52
	Benefits to Relatives			
	Ms. Shaila Shroff	Relatives of key managerial personnel	17	4
	Ms. Ravinder Kaur	Relatives of key managerial personnel	17	12
	Mr. Jaskaran Singh	Relatives of key managerial personnel	9	8
	Ms. Bhupinder Kaur	Relatives of key managerial personnel	1	1
	Ms. Sonal Tiwari	Relatives of key managerial personnel	22	17
	Executive Directors			
	Commission		30*	-
	Non Executive Directors			
	Sitting Fees		12	10
	Commission		20*	20**
	*The Board has recommended and approved a commission of INR 30 to Executive Directors and INR 20 to the Non Executive Directors for the FY 2018-19 to be paid in the current financial year.			
	**During 2017-18, Commission provided to Non Executive Directors was INR 20, where as actual payment was made for INR 10. During 2018-19, excess INR 10 has been written back.			
	Break-up of compensation of key managerial personnel of the Company			
	Short-term employee benefits		489	363
	Post-employment benefits		90	43
	Total		**579**	**406**

IV. *Outstanding balances as at year end*

Rs. in lacs

Particulars	Relationship	As at 31 March 2019	As at 31 March 2018
Loans taken			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	4,635	385
Mr. Shalil Shroff	Key managerial personnel	2	2
Mr. Avtar Singh	Key managerial personnel	2	2
Mr. Punit K Abrol	Key managerial personnel	10	10
Mr. Jain Prakash	Key managerial personnel	11	11
Commission payable to directors	Non Executive Directors	20	20
	Executive Directors	30	-
Salary payable to executive directors	Key managerial personnel	8	67

V. Terms and conditions of transactions with related parties

a. The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions and within ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

b. In accordance with the Corporate Debt Restructuring Scheme (CDR) approved by the Corporate Debt Restructuring Empowered Group, borrowing are also secured by personal guarantees of Mr. Shalil Shroff for term loans, working capital demand loan and cash credit facility from banks. The aggregate balance of borrowing from banks in respect of which personal guarantees have been given stands at INR Nil (31 March 2018: INR 10,988)

Note 43: Segment Information

The Executive Management Committee (Board of Director and key managerial personnel) monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. For management purpose, the Company has identified "Performance Chemicals" as single operating segment.

A) Information about products and services Rs. in lacs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from Sale of Goods from External customers		
Finished goods	56,123	40,990
Traded goods	1,699	1,889
Revenue from rendering of services to External customers	3,970	5,133

B) Information about geographical areas Rs. in lacs

Year ended 31 March 2019	Sale of goods	Rendering of services	Non current assets
India	16,820	3,858	19,815
Outside India			
Europe (including United Kingdom)	19,822	-	-
Japan	9,216	-	-
Others	11,964	112	180
Total	**57,822**	**3,970**	**19,995**
Year ended 31 March 2018			
India	13,249	5,133	19,439
Outside India			
Europe (including United Kingdom)	16,712	-	-
Japan	6,101	-	-
Others	6,817	-	335
Total	**42,879**	**5,133**	**19,774**

C) Information about major customers

Revenue from 2 customer of the Group amounting INR 24,494 and INR 7,712 during the year 2018-19 (2 customers amounting INR 22,959 and INR 6,079 in the previous year 2017-2018) constitutes more than 10% of the total revenue of Group.

Note 44: Disposal of Sintesis Quimica, S.A.I.C Argentina

During the previous year, STS Chemicals ('UK') Limited ('STS') and SD Agchem (Europe) NV, Belgium, (SD Agchem), wholly owned subsidiaries of the Company had on 28 September 2017 sold their entire stake in Sintesis Quimica, S.A.I.C ('SQ'), Argentina, a step down subsidiary of the Company, after completion of necessary legal formalities in India and Argentina.

However, the holding Company did not have the financial information pertaining to the aforesaid subsidiary for the period 1 April 2017 to 28 September 2017 (the date of sale). In view of this, the holding Company did not consolidate the profit and loss account of the aforesaid subsidiary till the date of sale and computed the loss or gain on sale with reference to the position of the subsidiary as at 1 April 2017. This was not in compliance with Indian Accounting Standard 110 "Consolidated Financial Statements". Basis above, the statutory auditors issued a disclaimer audit opinion on the consolidated financial statements for the year ended 31 March 2018 and consequentially, the auditors opinion on the current period's consolidated financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures with the corresponding figures particularly with regard to the corresponding figures in the profit and loss account.

Note 45: Dissolution of STS Chemicals (UK) Limited UK

During the year, the Company has dissolved its wholly owned overseas subsidiary i.e. STS Chemicals (UK) Limited.

Note 46: Disclosures pursuant to Section 186 of the Companies Act, 2013:

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Investment		
Investment in equity shares: Dena Bank Limited		
Balance as at the year end	0.19	0.32
Maximum amount outstanding at any time during the year	0.32	0.32
Investment in equity shares: Syndicate Bank Limited		
Balance as at the year end	0.18	0.22
Maximum amount outstanding at any time during the year	0.22	0.22
Investment in equity shares: Nimbua Green Field (Punjab) Limited		
Balance as at the year end	117	129
Maximum amount outstanding at any time during the year	129	129
Investment in equity shares: Mohali Green Field Limited		
Balance as at the year end	10	10
Maximum amount outstanding at any time during the year	10	10

Note 47: Lease disclosure

Operating Lease

The Company has entered into agreements for leasing office premises on lease and license basis. The lease have life of 5 years and no restriction places upon the Company by entering into said lease. The specified disclosure in respect of lease agreements is given below.

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
Charged to statement of profit and loss account	151	143
Future minimum rentals payable under non-cancellable operating leases are as under:		
Within one year	151	164
After one year but not more than five years	50	202
More than five years	-	-
	201	**366**

Financial Lease

	As at 31 March 2019		As at 31 March 2018	
	Minimum Lease Commitments	**Present value of minimum lease commitment**	**Minimum Lease Commitments**	**Present value of minimum lease commitment**
Due within one year	9	7	-	-
Due in a period between one year and five years	16	14	-	-
Due after five years	-	-	-	-
Total Minimum lease commitments	**25**	**21**	-	-
Less: Interest	4	-	-	-
Present value of minimum lease commitments	**21**	-	-	-

As per our report of even date attached

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

Vikram Advani
Partner
Membership No. : 091765

Place: Mumbai
Date: 10 May 2019

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

Mukesh D Patel
Chairman
DIN No.: 00009605

Shalil Shroff
Managing Director
DIN No.: 00015621

Avtar Singh
Director (Operations & Business Development)
DIN No.: 00063569

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

Vipul Joshi
Chief Financial Officer

Place: Mumbai
Date: 10 May 2019

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CIN No. : L24231PB1975PLC047063
Registered Office: Milestone 18, Ambala Kalka Road, Village & P.O Bhankharpur, Derabassi, Dist. SAS Nagar, Mohali (Punjab)- 140201, Telephone Nos.: 01762- 280086, 280094 Fax Nos.: 01762-280070
E-mail:info@punjabchemicals.com; website: www.punjabchemicals.com.

ATTENDANCE SLIP

(To be presented at the entrance)
43rd Annual General Meeting on Tuesday, the 13th August, 2019 at 9.30 a.m.
at Hotel Blue Sapphire, Ambala-Chandigarh Highway, Derabassi, Distt. S.A.S. Nagar (Mohali), Punjab - 140201

Folio No. .... DPID No. .... Client ID No. ....

Name of the Member.. Signature..

Name of the Proxyholder.. Signature..

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

Notes:
1. You are requested to sign and handover this slip at the entrance of the Meeting venue.
2. If you intend to appoint a Proxy to the meeting instead of yourself, the Form of Proxy must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

.... Please tear here ....

PROXY FORM

[Pursuant to Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CIN No. : L24231PB1975PLC047063
Registered Office: Milestone 18, Ambala Kalka Road, Village & P.O Bhankharpur, Derabassi, Dist. SAS Nagar, Mohali (Punjab)- 140201, Telephone Nos.: 01762- 280086, 280094 Fax Nos.: 01762-280070
E-mail:info@punjabchemicals.com; website: www.punjabchemicals.com.

Name of the Member (s)		E-mail Id	
Registered Address		Folio No. / Client Id	
		DP ID	

I / we, being the Member (s) of Punjab Chemicals and Crop Protection Limited, holding .... shares hereby appoint

Name : .... E-mail: ....

Address: ....

.... Signature: .... or failing him/ her

Name : .... E-mail: ....

Address: ....

.... Signature: .... or failing him/ her

Name : .... E-mail: ....

Address: ....

.... Signature: ....

P.T.O.

.... Please tear here ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 43rd Annual General Meeting of the Company, to be held on Tuesday, the 13th August, 2019 at 9.30 a.m. at Hotel Blue Sapphire, Ambala-Chandigarh Highway, Derabassi, Distt. S.A.S. Nagar (Mohali), Punjab - 140201 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resl. No.	Resolution	Vote (optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1.	To receive, consider and adopt the Audited Financial Statements of the Company (Standalone and Consolidated) for the year ended on 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.			
2.	To declare dividend on Equity Share for the financial year ended March 31, 2019.			
3.	To appoint a Director in place of Shri Avtar Singh (DIN No. 00063569), who retires by rotation and being eligible, seeks re-appointment.			
Special Business				
4.	To re-appoint Shri Mukesh Dahyabhai Patel (DIN:00009605) as an Independent Director.			
5.	To re-appoint Shri Vijay Dilbagh Rai (DIN:00075837) as an Independent Director and continuation of his directorship after attaining the age of 75 years.			
6.	Ratification of the remuneration of M/s. Khushwinder Kumar & Co., Cost Accountants, Jalandhar, (Firm Registration No. 100123) Cost Auditor.			

Signed this .... day of .... 2019.

Affix Re. 1/- Revenue Stamp

Signature of the Member

Signature of the proxy holder(s)

Notes:

1) This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the Annual General Meeting.
2) It is optional to indicate your preference. If you leave 'for','against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Corporate Social Responsibility

The Company has taken up few development activities in the nearby areas of the manufacturing units at Derabassi and Lalru, Distt. Mohali, Punjab under the Corporate Social Responsibility (CSR) Policy.

Organized Health Checkup Camps

Upgradation of School Infrastructure

Beautification of National Highway Bridge Pillar and plantation

GREEN INITIATIVE

Ministry of Corporate Affairs has taken a Green Initiative in Corporate Governance allowing paperless compliances by Companies through electronic mode. Your Company has taken initiative to update their records for the same. The members holding shares in physical form and who have not furnished the requisite information and who wish to avail the facility to receive the correspondence from the Company in electronic mode may furnish the information to the Alankit Assignments Limited, the Registrar and Transfer Agents. The members holding shares in electronic form may furnish the information to their Depository Participants to avail of the said facility.

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

REGISTERED OFFICE :
Milestone 18, Ambala Kalka Road, Village & P.O.: Bhankharpur, Derabassi,
Distt. S.A.S. Nagar (Mohali), Punjab - 140201.
Tel: 01762-280086/ 280094, Fax: 01762-280070
Email: info@punjabchemicals.com

CORPORATE OFFICE :
Plot No. 645-646, 5th Floor, Oberoi Chambers II, New Link Road, Andheri (West), Mumbai - 400 053
Tel : 022-2674 7900, Fax : 022-2673 6193
Email : enquiry@punjabchemicals.com

www.punjabchemicals.com