

Date: 11th, July 2022

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

The Department of Corporate Services-
Listing
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

Symbol- DHANUKA

Scrip Code : 507717

Subject: Integrated Annual Report under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')

Dear Sir,

The Company has informed that the 37th Annual General Meeting ('AGM') of the Company will be held on **Tuesday, 2nd August, 2022 at 11.00 A.M. (IST)** through Video Conferencing facility / Other Audio Visual Means.

Pursuant to Regulation 34(1) of the SEBI Listing Regulations, please find enclosed the Integrated Annual Report of the Company along with the Notice of the AGM and other Statutory Reports for the Financial Year 2021-22. The same is also being sent through electronic mode to all those Members whose email addresses are registered with the Company / Depository Participants / Registrar and Transfer Agent.

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

This is for your information and records.

Thanking you,
Yours Faithfully
For Dhanuka Agritech Limited


Jitin Sadana
Company Secretary and Compliance Officer
FCS-7612



Encl: a/a

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Azadi Ka
Amrit Mahotsav



TRANSFORMING INDIA Through Agriculture

37th Annual Report 2021-22





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Notice to the Members

Crossing beyond Borders

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



Strategic Partnership

| | | | |
|--|--|--|---|
|  |  <small>NISSAN CHEMICAL INDUSTRIES, LTD.</small> |  | |
|  <small>Amvac Chemical Corporation</small> |  SUMITOMO CHEMICAL |  |  <small>Mitsui Chemicals</small> |
|  |  <small>NIPPON SODA CO.,LTD.</small> |  <small>HOKKO CHEMICAL INDUSTRY CO., LTD</small> |  <small>Agriculture Division of DowDuPont</small> |

Contact Information

Board of Directors

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

President & Chief Financial Officer

Mr. Vinod Kumar Bansal

Company Secretary & Compliance Officer

Mr. Jitin Sadana

Internal Auditors

Mr. Gautam Mittal, Chartered Accountant
Deputy General Manager

Cost Auditors

M/s. N Khandelwal & Co
A-71, Triveni Nagar, Gopalpura Bypass,
Jaipur, Rajasthan-302018

Statutory Auditors

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

Secretarial Auditors

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

Registrar and Share Transfer Agents

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

Bankers

The Hongkong & Shanghai Banking Corporation Limited
HDFC Bank Limited

Listing

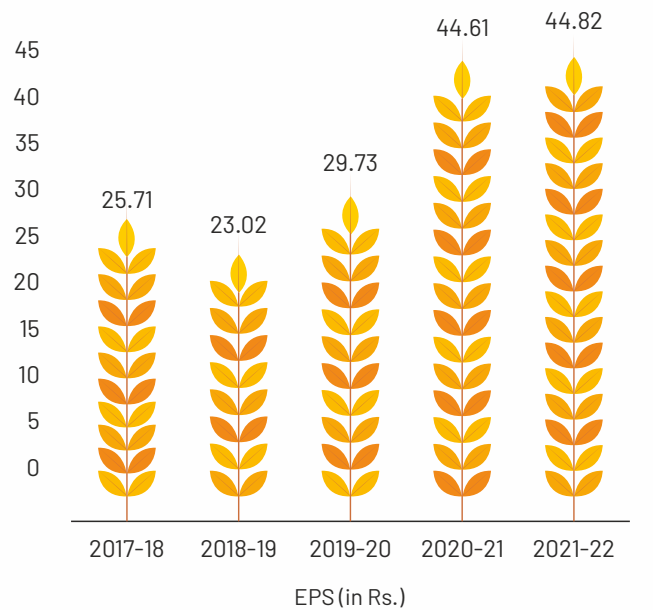
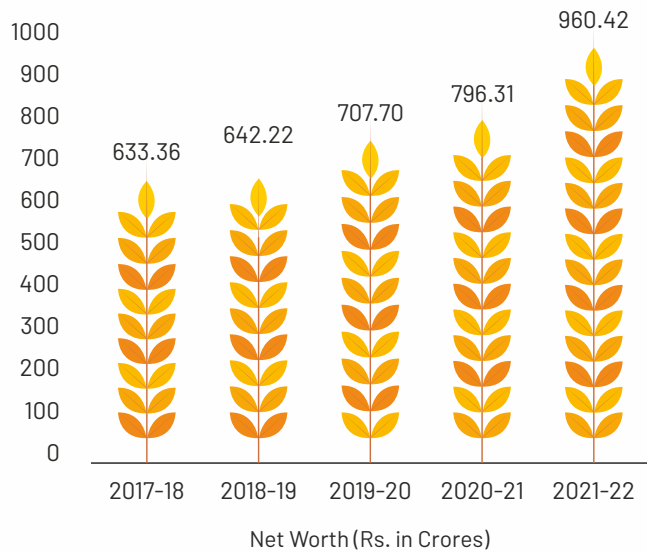
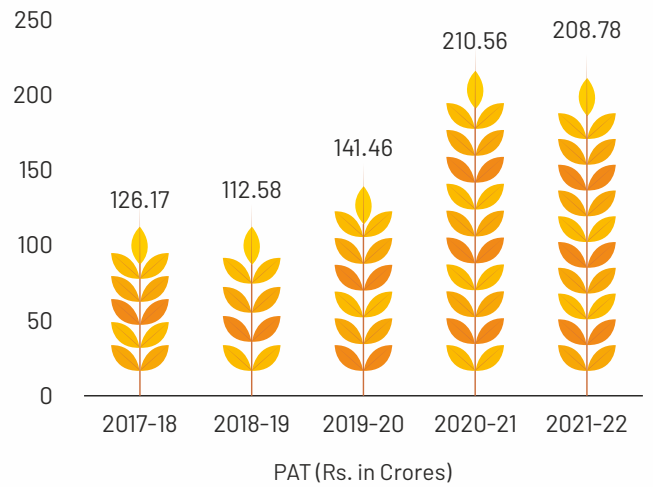
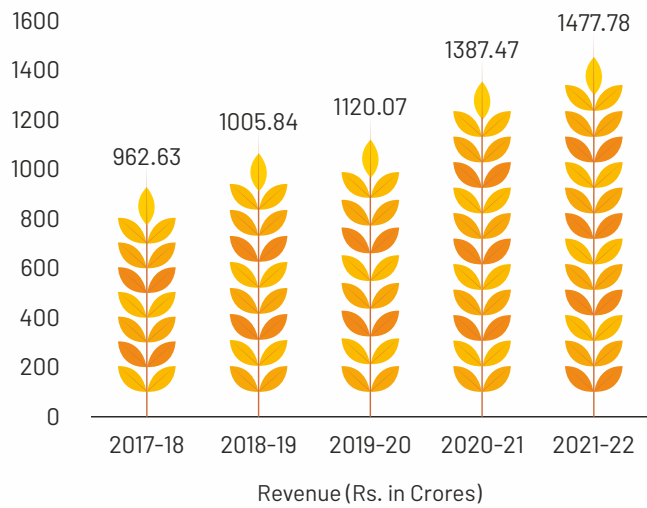
BSE Limited
National Stock Exchange of India Limited



Financial Highlights

| Year | Revenue (Rs. in Crores) | PAT (Rs. in Crores) | Net Worth (Rs. in Crores) | EPS (in Rs.) | EBIDTA (Rs. in Crores) | EBIDTA Margin | PAT Margin |
|---------|----------------------------|------------------------|------------------------------|-----------------|---------------------------|------------------|---------------|
| 2017-18 | 962.63 | 126.17 | 633.36 | 25.71 | 182.09 | 18.92 | 13.11 |
| 2018-19 | 1005.84 | 112.58 | 642.22 | 23.02 | 167.20 | 16.62 | 11.19 |
| 2019-20 | 1120.07 | 141.46 | 707.70 | 29.73 | 198.56 | 17.73 | 12.63 |
| 2020-21 | 1387.47 | 210.56 | 796.31 | 44.61 | 302.81 | 21.82 | 15.17 |
| 2021-22 | 1477.78 | 208.78 | 960.42 | 44.82 | 296.97 | 20.10 | 14.13 |

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





Message from the Chairman

Agriculture plays an important role in the economy of any Nation. It has helped stabilize the growth of a Nation in the post-pandemic era. However, the rising population and climate challenges have created an urgent need for adopting smart farming techniques in India.

The Government of India is also supporting smart farming initiatives like, allowing farmers to monitor vital soil and crop health parameters and act in time to protect their crops. On the other hand, mechanical innovations such as drones are helping in uniform application of agrochemicals and are remotely monitoring crop cycles. Sensor-based Smart Agriculture (SENSAGRI), the Government's drone farming initiative is activated recently through various central and regional bodies. Dhanuka strives to stay ahead in advanced and smart technology through its new venture in Drone based Agri technology, for Indian farms, soon its services will be available across Dhanuka distributor's network. Our goal is to make farming drone technology affordable and cost effective. Our Kohinoor and InDhan apps help reduce the gap between farmers and Dhanuka team members on the field, providing on the spot solution to their problems.

We are also leading the way in promoting the adoption of sustainable agricultural practices. To that effect, Dhanuka's save water campaigns have helped spread awareness about deteriorating water tables across the Nation since many years. We are also educating farmers about the harmful effects of using duplicate agrochemicals, which are not effective and degrade crop quality, further exacerbating the global climatic challenges.

We recently launched QR Code linked products as a way for farmers to identify genuine Dhanuka products. Dhanuka provides world class products. Our brands like Lustre, Conika, Godiwa Super, Targa Super, Onekill, Vitavax, Omite, Foster etc. controls broad variety of pests and diseases. In last 2 years, we have introduced Nissodium, Kirari, OneKil and Tornado, which got widely acceptance, and our position in Horticulture and Vegetable segment became very strong. To optimize plant growth, Dhanuka's range of Plant Growth Stimulants like Mycore, Maxyld, Dhanvarsha, Dhanzyme Gold and Granules supports farmers to increase yield.

We are collaborating with leading agricultural research universities and institutions to develop cutting-edge agricultural technology using artificial intelligence (AI), robotics, and precision agriculture to realize our vision of Transforming India through Agriculture.

We believe firmly that an 'Atmanirbhar Bhartiya Kisaan' is vital for the India's economic growth and protection of our core national interests. Dhanuka's progress lies in the progress of the Nation, the existence of the nation is from us and we exist from the Nation itself.

May this realization becomes the biggest force for us in building a new India.

R.G. Agarwal
Group Chairman

Message from the Managing Director

Agriculture is among the few sectors that posted growth despite concerns about economic recovery during the pandemic. India achieved record food grain production this year, which helped the government provide free additional rations for poor COVID-hit families for many months. The agri sector is now projected to grow by 3.9 percent in 2022-23, surpassing previous year's growth rate of 3.6 percent. The government continues to prioritize on increase in farmers' income and \$5 trillion economy by 2024-25, so we can expect further investments by the government and confirmed subsidies in Agriculture sector in the current fiscal. Global demand is also rebounding and as per Agricultural and Processed Food Products Export Development Authority (APEDA), our total exports increased from \$6,485 million in August 2020 to \$7,902 million in August 2021. The current situation in Eastern Europe is already creating unprecedented opportunities for export of essential agricultural commodities.

Crop productivity is also improving as farmers adopt better seed varieties and make judicious use of pesticides and chemical fertilizers, mitigating the risks posed by diseases and adverse climatic conditions. The Indian agriculture sector is expected to grow to USD 24 billion by 2025, while the processed food sector is forecasted to reach USD 470 billion market at the same time. Hence, the farm and the farmer will remain a mainstay of Indian economic growth story for the foreseeable future. Further bolstering our hopes, monsoon in 2022 is expected to make a decent start by mid-June and is expected to be 'normal' at 98 percent of Long Period Average (LPA). Both government and private sectors are keen on providing support to the agricultural sector with credit related services, logistics and storage, and through strengthening of the processing industry. A farm-to-fork supply chain can create opportunities of income growth for farmers by providing better price for their produce and other value chain participants will also benefit from this increase in profits.

At Dhanuka, we remain positive about this year's growth outlook with our innovative product strategies, technological partnerships, and growth aspirations. The pandemic has receded, and the incoming trends for summer sowing look promising. Besides, all forecasts for the agri sector point towards better output of rice, wheat, pulses, coarse cereals and oil seeds. Furthermore, the government's efforts towards transforming the agricultural landscape into a production-based enterprise, fills us with favorable optimism. In spite of the challenges posed by FY22, we remain on sound financial footing for FY23. Our growth strategy remains consistent as we continue to progress with well-designed programs, adequate resources, best-in-class crop solutions, and introduction of new molecules and farm technologies. The Dhanuka team continues to grow and evolve with more and more learned minds joining hands for realizing our vision of Transforming India through Agriculture. We are collectively guided by the 'Panchsheel Principles' of entrepreneurship, innovation, fairness, excellence, and sustainability, forming mutually beneficial partnerships with farmers, agri input suppliers, and leading agricultural bodies in the country.

M. K. Dhanuka
(Managing Director)



Message from The Chief Operating Officer

India's agricultural sector remains a shining beacon of hope for economic recovery after the pandemic. In recent years, the demand for Indian agricultural produce has picked up. On the other hand, both private and public sector are pushing for enhancing agricultural productivity through the latest technologies and high-yield crop varieties to help secure both domestic and international demand.

As predicted in my last address, technology-infused supply chains have started cropping up in the country and all stakeholders stand to benefit from these new integrated service systems. We too have stepped up our efforts for Transforming India through Agriculture by embracing smart technologies that enable lab-to-land implementations. We are also among the first movers in drone farming technology with numerous pilot projects in action across the country through the newly launched Dhanuka Agri Services platform. We aim to build a Drone ecosystem and provide end-to-end drone solutions to Indian farmers by making technology more accessible to them. Combined, these systems will enhance the farmer's ability to react in time towards pestilence and climatic hazards and help improve crop yields and bring prosperity.

Sustainability also remains at the forefront of our efforts. In fact, we believe that an environment-friendly readjustment of agricultural production need not necessarily be contradictory with farm incomes. We're working on new molecules to meet the challenges of today and tomorrow, to ensure an adequate and sustainable food supply for India and the world. Under that effort, Dhanuka plans to enter the bio-pesticide market in a big way in the coming years as this segment is projected to grow at a CAGR of 18-20%. We plan to offer holistic solutions to farmer thru the bio-control segment and to make our significant presence felt in all the verticals.

On the financial front, Dhanuka Agritech's performance remains commendable owing to our strong supply chain execution and decisive leadership position. We are quickly adapting our products and services for the upcoming digitalization and mechanization of the Indian agricultural sector. Our strong lead generation capabilities have enabled healthy sales growth and continue to deliver extraordinary outcomes for farmers and channel partners. For better delivery, we are setting up new R&D Centre at Palwal Haryana with a Vision to attain new heights in research & development through innovative technologies. This facility will undertake applied and adaptive research to address current and future challenges for improving productivity on a sustainable manner. We are also coming up with a new technical manufacturing unit for pesticides in Dahej, Gujarat. The new plant will help us offer better services to Indian farmer and will also open doors to global markets.

I also thank the Dhanuka leadership team and express gratitude to members of the board for their positivity, guidance, and vision for the future, which has enabled Dhanuka time and again to deliver on its promises. Under their stewardship, we are confident that we are building a stronger, more resilient organization which understands and fulfils customer needs through market expertise, cognitive technologies, and a qualitative product portfolio.

Rahul Dhanuka

Chief Operating Officer



New Products Launch



ONEKIL

(Quizalofop-Ethyl 4% +Oxyfluorfen 6%EC) is a post-emergence systemic herbicide that controls Narrow Leaf Weeds as well as Broad Leaf Weeds.

Onekil is absorbed by the crop's foliage and root system and provides longer residual control from most of the weeds. Moreover, Onekil has 1-2 hours of rain fastness.

Crop: Onion

MODE OF ACTION:

Onekil has a dual mode of action and has excellent translocation activity. It is absorbed through leaves and moves downwards through the phloem. It is also absorbed by roots and moves upward through the xylem. Its chemistry inhibits the fatty acid synthesis through acetyl-CoA carboxylase & disrupts the membrane through lipid peroxidation.

Features & Benefits:

- Onekil 10% EC is a complete solution for weed-free Onion crops.
- Onekil 10% EC is an innovative product developed by Dhanuka Agritech Limited.
- Onekil 10% EC is postemergence with a dual mode of action that controls most of the annual grasses and broadleaf weeds.
- Onekil 10% EC is absorbed by foliage and root system.
- 1-2 hours rain fastness.



TORNADO

Broad-spectrum, Systemic, herbicide for post-emergence control of Broad leaf & Narrow leaf weeds.

Crop: Ground nut

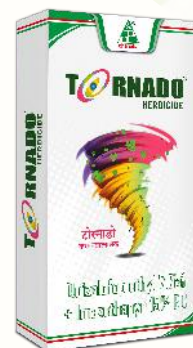
Mode of Action

Tornado has a dual mode of Action

1. It is absorbed by the roots and moves upward through Xylem.
2. It is absorbed through leaves and moves downwards through Phloem.

Features & Benefits:

- Tornado is a broad spectrum herbicide, a complete solution for control of Grassy & Broadleaf weeds in Groundnut
- Higher yield & more profitability.
- Early control of weeds resulting in non competition of weeds with crop.
- Complete protection to crops.
- Tornado has a unique formulation combining two different actives with dual mode of action.
- Tornado is a systematic herbicide absorbed by the root system and the foliage.
- Tornado requires only 1- 2 hrs of Rain free period for complete absorption into the plant system.





Mr. Rahul Dhanuka, COO, Dhanuka Agritech Limited, was conferred with the Krishi Nayak Award by Union Minister of Agriculture & Farmers Welfare, Shri Narendra Singh Tomar Ji, and Mr. Shamsher Singh, Managing Editor of Zee Hindustan in a ceremony held in Noida, on 25.01.2022. The award is in recognition of Mr. Rahul Dhanuka's unparalleled contribution to the agri sector and reaffirms Dhanuka Agritech Limited's vision of transforming India through agriculture.



Mr. Ram Gopal Agarwal as the Chairman, FICCI Committee on Crop Protection delivered the welcome remarks on “Atmanirbhar Krishi and Atmanirbhar Kisan” at FICCI’s 10th Agrochemical Conference 2021 organized in hybrid mode at Hotel Le Meridien, New Delhi on 23rd September 2021 with the theme “India@75: Expediting the Sustainable Growth of Agrochemicals Industry for Self-Reliant India”.



Conducted the auspicious ritual of “**Bhoomi Poojan**” for the new R&D facility site at Palwal on 10th Sept. 2021. Dr. Yogendra Sehwari, Ex-Director – Horticulture, Government of Haryana graced the Bhoomi Pujan as Chief Guest, along with prominent dignitaries including Dr. Mahaveer Singh (DDA, Faridabad & Palwal).



On 15th March 2022, The Company hosted an interaction on the theme 'Jago Kisan Jago' on the occasion of the “World Consumer Rights Day 2022” at the Constitution Club of India, New Delhi. The program was graced by Shri Arjun Ram Meghwal, Hon'ble Minister of State for Parliamentary Affairs & Culture, Govt. of India in addition to Shri Kailash Choudhary, Hon'ble Minister of State, Agriculture & Farmers' Welfare besides several dignitaries, industry leaders, farmer leaders.



On 22nd March 2022, The Company hosted a conference on the occasion of “World Water Day 2022” at Hotel Le Meridien, New Delhi which was also attended by Dr. Prahlad Singh Patel, Hon'ble Union Minister of State, Ministry of Jal Shakti, Govt. of India and Dr. Ashok Dalwai, CEO, NRAA, Dept. of Agriculture & Farmers' Welfare, Govt. of India.



Marketing & Other Initiatives

Dhanuka is marking its presence everywhere: Dhanuka in its commitment towards farmers prosperity across India and overseas market has made great initiatives. Recently farmers of "Kashmir Valley" and "Nepal" were educated through its branding initiatives like shop adoption, village branding, dealer board product literature etc. along with massive product demonstrations which has now enriched the lives of agri communities thereby giving impetus to brand recognitions and growth.



Dhanuka reinforces the trust of nation's farmers through its advance QR code feature: Dhanuka has introduced QR code on its products and some Dhanuka brands available in the market are now having QR code on sellable packs. - Dhanuka is working towards including QR code on all its products and sellable packs in near future. Dhanuka QR code is a small endeavour from Dhanuka to ensure security of Farmer's investment on genuine quality products and that our farmer's stay safe from harmful spurious products.



New Collaborations, New Partnerships:

- In continuation of Dhanuka's efforts to bring the latest farming techniques to Indian farmers and transforming India through agriculture, Shri R.G. Agarwal, Chairman, Dhanuka Agritech Limited & Dr. J.S. Sandhu, Hon'ble Vice Chancellor, SKNAU Jobner signed a MOU on 24th March 2022 between Dhanuka Group & Sri Karan Narendra Agriculture University, Jobner, Jaipur, Rajasthan for working together for trials, verification of new technology & transferring the same to a large number of farmers.



- Dhanuka Agritech has signed a memorandum of understanding (MoU) with Haryana's Karnal-based Maharana Pratap Horticultural University to conduct joint crop protection chemical research and to promote modern agriculture technology.



- Dhanuka Agritech has signed an agreement with Uttarakhand's Govind Ballabh Pant University of Agriculture and Technology, under which we will sponsor conferences of the university, besides providing scholarships to meritorious post-graduate agricultural students.

A Memorandum of Understanding (MoU) was signed by the Director of Experiment Station, Ajeet Singh Nain, on behalf of the university and Ajeet Singh Tomar, vice-president (R&D) of Dhanuka Agritech on December 20.

"Through this partnership, Dhanuka Agritech and the GB Pant University aim to boost farmers' income by enhancing crop productivity and production."

- Chaudhary Charan Singh Haryana Agricultural University (HAU) has tied up with Dhanuka Agritech Limited to develop improved varieties of various crops for farmers and reach them to more and more farmers. Under the agreement, the company's experts, HAU scientists and students will together inform the farmers about the use of latest technologies in Indian agricultural land.



- Dhanuka Agritech Ltd. has signed an agreement with University of Agricultural Sciences, Raichur, Karnataka under which the company will sponsor conferences of the university, besides providing scholarships to meritorious post-graduate students. A MoU was signed between Dhanuka's Mr. K. Prasad Rao, Area Sales Manager and Mr. Madhav Swami, Sales Officer with honourable VC Registrar, Director of Research, PPMC Head, director of Education.

Digital Initiative

- Dhan ki hogi baat Series:** Dhanuka's Marketing Team took the initiative to help farmers with a 3 episodes series of "Dhan ki Hogi Baat" by which it provided the solutions to farmer's problems related to Paddy by Dhanuka experts. Also answered their queries and questions.
- FB events for Potato:** Aaloo ki baat expert ke saath, Aaloo pe charcha, FB Premier on Kirari- Time and again the importance and usage of our product Kirari was described and shown to the farmers through different engaging activities. Experts were involved to provide solution to their problems in Potato crop and to answer their queries.
- Field day FB Live:** "Seeing is believing" hence field trials were introduced to show the live results of the product and the experiences of the farmers who used our products.
- Farmer's Stories:** The most efficient way to reach to our customers is "The Word of Mouth". Taking that into consideration, the story of 5 farmers, from 5 different regions was shown sharing their experiences with Dhanuka's products.
- E-DKM Sessions:** This all India conducted series aimed at reaching every door step of Rural India in the difficult Covid-19 times. This was done for the farmers in their local languages for their respective area crops which was highly appreciated.
- Other initiatives:** Digital Events like "Sawal Apke, Jawab Humare", "Chilli Crop Management", "Tea Crop Management", "Sugarcane Crop Management", "Disease Management Post foundation Pruning", "Grapes Canopy Management" etc. had an impactful impression on the viewers as it helped them to gain proper knowledge and desired information about the product and the crop.



Management Discussion and Analysis Report

Economic Overview

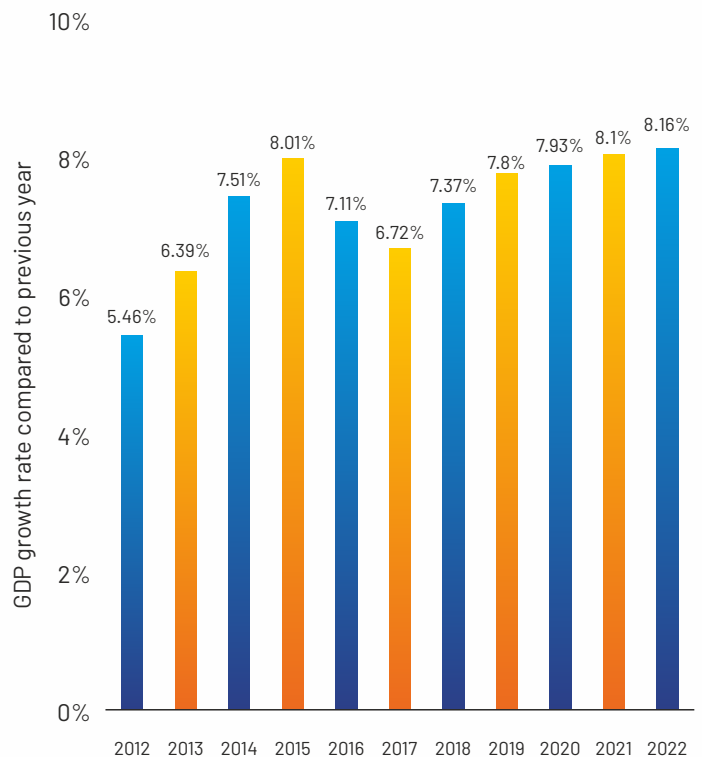
Indian Economy

The National Statistical Office in its second advance estimates pegged India's GDP growth for FY 2021-22 at 8.9%, a tad lower than 9.2% estimated in its first advance estimates and 6.6% contraction reported during the COVID-19 pandemic-hit FY 2020-21. Worsening supply bottlenecks, high crude prices rising inflation risks caused by Russia's invasion of Ukraine could have a negative impact on growth.

The Economic Survey 2021-22 projects the economy to grow by 8-8.5% in FY 2022-23. This is on the back of the vaccination program which has covered a bulk of India's population, economic momentum building back and the likely long-term benefits of supply-side reforms in the pipeline.

Due to its vaccine diplomacy, India has built healthy trade relations with major countries such as the US and major European and Asian countries, increasing exports and importing essential products. India is seen to be the world's 3rd largest economy and 3rd largest consumer market by 2030, with strengths in manufacturing, digital and IT.

The Asian Development Bank earlier stated in its Outlook 2022 that India is likely to maintain its position as the fastest-growing major economy with a growth rate of 7.5% for 2022-23 on strong investment prospects.



Outlook

Continuous uptick in High-Frequency Indicators (HFIs) and GDP growth figures for the last two-quarters point toward economic recovery in India. Also, the Government's impetus on infrastructure development and domestic manufacturing is anticipated to further this growth, create more jobs and help build supply chain resilience. In the post-COVID-19 scenario, the Indian economy appears to be in good shape with its growth rate and foreign exchange reserves being high. According to KPMG's global economic outlook, India is expected to be among the fastest-growing economies in 2022 with 9.2% growth this year, and 7.7% growth in 2023 as investments in infrastructure and manufacturing sectors will accelerate job creation.

India's Agricultural Sector

Agriculture is the primary source of livelihood for about 58% of India's population. Gross Value Added is expected to grow at 8.6% in FY 2021-22, as against a contraction of 6.2% in the previous year. Agriculture is the backbone of India's economy as it employs approximately half of India's workforce contribution. Agriculture and the allied sector proved to be the most resilient to the COVID-19 shock and are estimated to grow by 3.9% in FY 2021-22, driving real GDP growth of 9.2% in FY 2021-22. The agricultural sector, which employs more than 50% of Indians, is set to grow through innovation and technology development for a cleaner and greener environment and systems.

Contribution of Agriculture to India's GDP

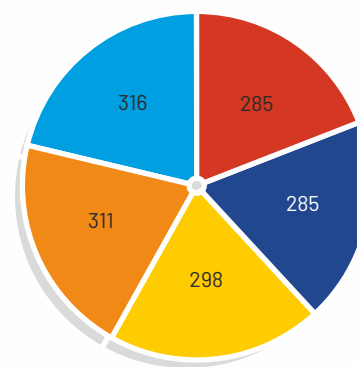
| FY 2019-20 | FY 2020-21 |
|------------|------------|
| 17.8% | 19.9% |

Doubling of farmers' income has been one of the key missions of the government since 2016, with 2022 being the year when it hopes to realize it. India is the world's largest producer of farm products, including milk and pulses, and the second-largest producer of rice, wheat, sugarcane and groundnut. With 50% of India's population in rural areas, an increase in rural growth will translate into economic growth and boost per capita income. Higher rural income will translate into better purchasing power, creating the demand-pull needed.

India's food grain production

India's food grains, consisting of rice, wheat, pulses and coarse cereals, production, will likely be a record 314.06 million tonne (MT) for the 2021-22 crop year (July-June), as per the second advance estimate released by the Ministry of Agriculture. The projected output exceeds the target of 310.74 MT set by the ministry at the beginning of the season. The production of food grain during 2021-22 is higher by 25.35 MT than the previous five years (2016-17 to 2020-21) average production. Prediction of normal monsoon rainfall in 2022 by the Indian Meteorological Department (IMD) is likely to push the agriculture ministry to set a new record of food grain output for the 2022-23 crop year.

India's Food Grain Production (In Millions Tonnes)



FY 2017-18 FY 2018-19 FY 2019-20 FY 2020-21 FY 2021-22*

Source: Ministry of Agriculture; *Second advance estimates, Crop year July-June

First Advance Estimates of Production of Major Kharif Crops for 2021-22

| Segments | 2020-21 (4th advance estimates) | 2021-22 (1st advance estimates) |
|---|---------------------------------|---------------------------------|
| Total food grains | 149.56 | 150.5 |
| Oil seeds | 24 | 23.39 |
| Sugarcane | 399.25 | 419.25 |
| Cotton (million bales of 170kg each) | 35.38 | 36.21 |

Monsoon dependence

The Indian economy is heavily dependent on agriculture and the livelihood of the Indian farmer largely depends on the monsoon. With around 55% of India's arable land dependent on precipitation, the amount of rainfall during the current monsoon season could sway economic activity in the agriculture sector and industries linked with it. About one-third of India's manufacturing output – which makes up around 18% of the country's gross domestic product – is linked to turning agricultural products into food. Therefore, too much rainfall or too little or a volatile monsoon pattern can damage crops. The shift in monsoon may entail grave consequences for India's economy, food systems and people's well-being. The Southwest monsoon plays a crucial role in India's agriculture.

Impact of climate change on agriculture

Agriculture sector in India is vulnerable to climate change. Higher temperatures tend to reduce crop yields and favor weed and pest proliferation. Climate change can have negative effects on irrigated crop yields across agro-ecological regions both due to temperature rise and changes in water availability. Rainfed agriculture will be primarily impacted due to rainfall variability and a reduction in the number of rainy days. Climate change is expected to affect yields, particularly in crops like rice, wheat and maize. It is perceptible through a rise in all India

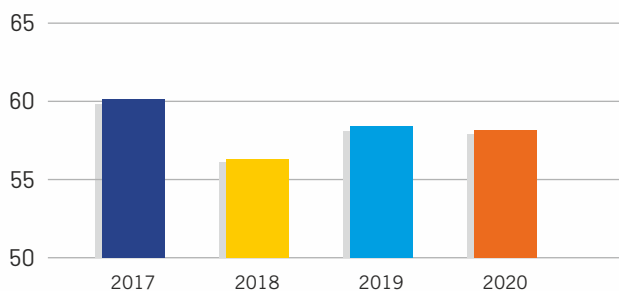
mean temperature and increased frequency of extreme rainfall events in the last three decades. This causes fluctuation in the production of major crops in different years.

Global Agrochemicals Industry

The global agrochemicals market size was valued at US\$ 231 billion in 2020 and is projected to reach US\$ 315.3 billion by 2030, growing at a CAGR of 2.9%. Agrochemicals play an important role in the agriculture industry, assisting farmers in enhancing their crop quality as well as quantity. Agrochemicals are engineered chemical or biological formulations used for improvements in the quality and yield of crops. These are classified into fertilizers and pesticides. Fertilizers enhance the quality of crops by providing essential nutrients to the crop and soil, whereas pesticides protect the crops and control, kill or repel pests and weeds that can harm the crop.

Key factors driving the agrochemicals market include an increase in demand for food, soil degradation, limited agricultural land, and an increase in consumer awareness regarding the benefits of agrochemicals. Shrinking arable land and loss of crops due to pest attacks lead to wastage, posing a critical challenge to ensuring food and nutritional security and supporting industry growth. A growing population across the world, accompanied by rising affluence, is witnessing a shift in consumption patterns. There is a need to increase the production of agrochemicals to meet growing demand, but also ensure that the nutritional needs of an increasingly affluent population are comfortably met.

Year-wise Consumption of Agrochemicals Volume (in Thousand Tonnes)



Source: Statistical database, Directorate of Plant Production, Quarantine and Storage

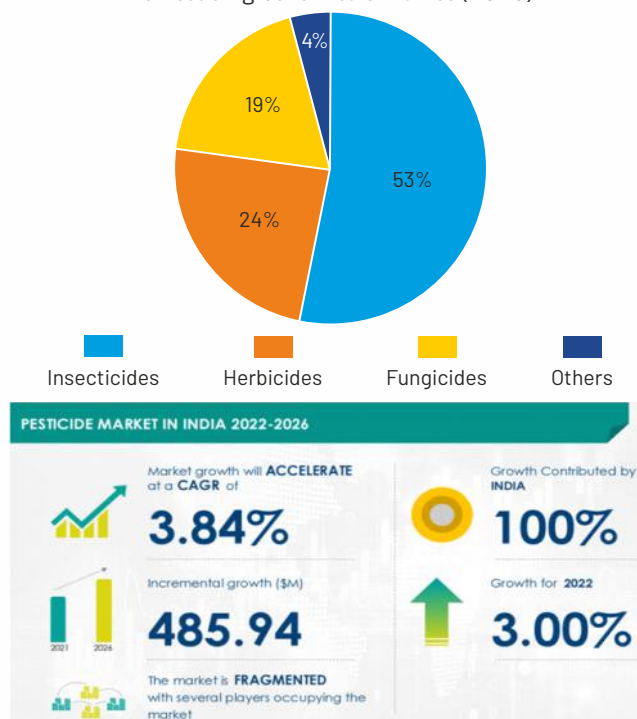
Impact of the geopolitical situation

The Russia-Ukraine war is impacting the global agrochemical market. Supply chain and logistical disruptions on production in Russia and Ukraine will have significant food security repercussions. Sanctions that would limit or ban natural gas supplies from Russia are expected to impact the agrochemical sector. Many agrochemical companies use natural gas as energy to fuel their active ingredient production plants and use it to produce raw materials. The impact on manufacturing plants will lead to the possibility of a shortage of fertilizers and an increase in prices. Timely arrangement of seeds, fertilizers, micro-nutrients, pesticides, machinery and credit is the key to avail the benefit of good rains.

India Agrochemicals Industry

India's agrochemicals market is projected to register a CAGR of 8.5% during the forecast period of 2022-2027. India is the 4th largest global producer of agrochemicals after United States, Japan and China, and has emerged as the 13th largest exporter of pesticides. Domestic consumption of pesticides is worth US\$ 2.77 billion, while exports are valued at US\$ 2.31 billion, totaling a market size of US \$ 5.08 billion. The sector has a huge potential for growth by virtue of research, innovation and a speedy registration system. By 2024, exports are seen growing to US\$ 3.1 billion, contributing 55% of total domestic production which is expected to be valued at US\$ 5.7 billion.

Domestic Agrochemicals Market (2020)



Rising GDP to benefit Agrochemicals

Prime Minister Narendra Modi's envisioned plan to make India a US\$ 5 trillion economy by FY2026 on the back of 8-9% sustained economic growth is set to make it a global economic powerhouse. The role of agrochemicals in achieving the vision of US\$ 5 trillion economy cannot be undermined, as it not only ensures food security and provides livelihoods, but also provides an impetus to the growth of industries and service sectors. The agrochemical industry has a huge unrealized potential for growth due to the low level of agrochemical consumption. What is urgently needed is reforms in the regulatory framework pertaining to agrochemicals, which must pro-actively focus on promoting the introduction of new molecules.

Key drivers for growth

According to the Food and Agriculture Organization (FAO) an increasing population creates a rising demand for food products. Agrochemicals are highly important in obtaining high yields of crops and are necessary to prevent pests and diseases

in the field. According to the India Council of Agriculture Research(ICAR)scientists, nearly 30-35% of annual crop yield in India gets wasted because of pests. To tackle these problems and to increase production, the use of crop protection chemicals is bound to increase. Agrochemicals also play a vital role in the growth of crops, showing improved performance and noticeable results. Supplying adequate plant nutrients is essential for the healthy growth and production capacity of plants.

Drone contribution to agrochemicals

Drones are taking over agricultural farms with advanced applications such as spraying chemical pesticides and nutrients, surveying farmlands, and monitoring soil and crop health. The use of drones for agriculture spraying reduces the contact of humans with fertilizers, pesticides, and other harmful chemicals. India witnessed the liberalization of the drone policy and also received government subsidies for the purchase of drones for agricultural activities.

To fast-track agri-drone adoption, the Agriculture Ministry has granted interim approval to 477 pesticides for drone usage, according to the Drone Federation of India. These 477 registered pesticides include insecticides, fungicides, and plant growth regulators (PGRs), for commercial use through drones for two years. While addressing a webinar on Smart Agriculture in February 2022, Prime Minister Narendra Modi highlighted the need for the larger utilization of drones in the agriculture sector. Artificial intelligence is going to completely change the trade related to agriculture and farming in the 21st century.

Increasing agrochemicals production cost

Agro-chemicals is a commodity-based business, with global suppliers being the raw material providers to distributors around the world as a part of multiple sourcing strategies. With global supply chain challenges due to COVID-19 and with China has increased the cost of supply of raw chemicals, the cost of agrochemical production in India increased substantially. This is likely to hit the margins of companies manufacturing agrochemicals.

Prices of agrochemicals are likely to increase in the Indian market with rising crude prices and the global supply chain issues in China, the world's largest producer of agrochemical raw materials. India imports at least 60% of its technical requirement from China, which fulfills 90% of the world's technical requirements. Rising crude prices exert direct pressure on prices of formulations or finished agrochemicals like pesticides and insecticides, majorly used in crops like cotton and paddy.

Impact of COVID-19 on Agricultural Inputs

The COVID-19 pandemic affected production and supply in the agrochemicals market and impacted its proper functioning. In terms of supply, a short-term shortage of migrant labourers amid distribution bottlenecks created a wide gap between the

number of workers required and available for the production of agrochemicals. Production of crops also decreased due to the unavailability of labourers in large-scale plantations, which reduced the demand for agrochemicals during the pandemic.

However, with pesticides placed under the essential category, the COVID impact was marginal. The government's focus on continuing agricultural activities despite COVID-19 lockdown led to sustained demand for seeds, fertilizers and pesticides. Given the backdrop of a good Rabi season and the expectation of a normal monsoon, demand for agricultural inputs is projected to be healthy in the upcoming Kharif season.

Rising pest attacks

An imperative challenge faced by Indian agriculture is the colossal losses caused by insect pest attacks. Farmers lose a significant part of their income as their crops are being attacked by pests and weeds. Crop protection chemicals can play a vital role when judiciously applied protects the crop and produce from pests and increase the farm productivity. The government has adopted Integrated Pest Management Practices (IPM) with emphasis on the use of bio-pesticides. Several agrochemical companies are investing in R&D to launch new products.

Contributing to the Global Supply Chain

Various takeovers of Indian companies by Japanese chemical giants signify the rich technological back-ups in India and the interest of Indian companies in participating in the global supply chain. For several years, India is supplying good quality formulations of generic pesticides to different markets. It is time it becomes strong in backward integration to participate more significantly in the global market.

Over the last 75 years, Indian agriculture has made rapid strides. From a meager 55 million tonnes, production of food grains has increased to a record 309 million tonnes. Production of pulses, coarse cereals, natural fibers, sugarcane, vegetables and fruits have all increased manifold since independence. India needs to introduce new molecules, which are safer and more effective, and aligned with international standards.

Today, India is among the top 10 agricultural product exporters, and the crop protection industry has played a vital role in this. The country is a major hub of generic agrochemicals production, which leverages the fact that branded molecules, exclusive to the producing companies, are open for larger use after the patent period of 20 years. The fact that 22 such molecules will come out of their patent period substantially expands the offerings by Indian companies. There is a lot of potential to become a leader in the chemical sector. This can be leveraged through the use of innovation, a speedy registration system, early crop protection research and a digitisation drive.

Generic players to benefit

Agrochemical sector is deeply interested in molecules that will be going off-patent as it creates an opportunity for its own

commercial development. About 30-40% of the off-patent active ingredients are being taken up by generic manufacturers. Pesticide companies, especially in developing countries, are waiting for generic active ingredient molecules as it provides growing opportunities for generic manufacturers to provide agrochemicals at affordable prices for farmers to protect their yield from pests and disease.

Moreover, generic agrochemicals are the same in quality of patented pesticides, effectively affordable in price for Indian and global farmers. These are based on the same active substances and work in the same way on the crop as the patented pesticide, but cost much lower. The agrochemical sector has a huge potential for growth with the help of early crop protection research, innovation, digitization drive and a speedy registration system. Seeing the potential of this sector, the government has included the sector among the 12 champion sectors where India has the potential to play an important role in the global supply chain.

Company Overview

Dhanuka Agritech Limited ("DAL" or the Company) is a leading Agrochemical Company in India. The Company's strength lies in manufacturing formulations. DAL's pan India distribution network consists of around 6,500 distributors and 80,000 retailers, enabling it to have presence across 10 million farmers touchpoints. Over the years, the Company has built strong strategic partnerships with leading global innovators. The Company's collaboration with world's leading agrochemical companies in the US, Japan and Europe has provided it access to latest technologies which the Company has effectively implemented in the domestic market. Dhanuka's strong R&D division has world-class NABL accredited laboratory as well as an excellent team for new product registration and development. The Company has three manufacturing units situated at Sanand (Gujarat), Keshwana (Rajasthan) and Udampur (J&K) and is in process of setting up a plant for Technical Manufacturing of Pesticides i.e. Backward Integration Process at Dahej, Gujarat.

The product portfolio is largely distributed across Insecticides, Herbicides and Fungicides segment. Insecticides contributes significant portion of the overall revenues and the Company aims to ramp up presence in the fast-growing Herbicides segment. DAL is aggressively working towards the goal of "Transforming India through Agriculture" by initiatives like doubling farmer's income. The Company's latest innovative sales process guides the farmers effectively on crop solutions through channel partners and a dedicated team. It also ensures smooth reach of products to farmers with readily available stock on demand as per the latest market scenario. This new age sales process is managing issues like inventory cost, blockage of funds and uncertain demand and supply. It also offers automatic order processing and complete availability of the product in real-time.

Operational Overview

Dhanuka continues to remain debt-free, due to robust Financial Management. Additionally, it has a healthy Net worth of Rs. 960.42 Crores as at 31st March, 2022. ICRA has upgraded its credit rating to [ICRA]AA (pronounced ICRA double A) from [ICRA]AA- rating for fund-based limits and accorded [ICRA]A1+ (pronounced ICRA A one plus) rating for non-fund based limits of the Company.

During the year, the Company has received a 9(3) registration certificate for import of Halosulfuron Methyl Tech. Min. 97%. The Company launched a Co-marketing product under brand name TORNADO containing Quizalofop Ethyl 7.5% + Imazthpyre 15% to control broad leaf as well as narrow leave weeds in Soybean and other crops. The Company also launched a product ONEKILL a combination of Quizalofop Ethyl 4% + Oxyflourfen 6% EC, which will be used for the control of weeds in Onion Crop. The Company has received the Registration Certificate for Export u/s 9(3) for Bifenthrin 20% EC and Lambda Cyhalothrin 25% CS. The Company has also received the Registration Certificate for Formulation Indigenous Manufacture u/s 9(4) for Pymetrozine 50% WG. It will be used to protect Rice crop from Brown Plant Hopper.

Dhanuka has been granted Patent for the new herbicide combination of Halosulfuron Methyl and Metribuzin for control of various weeds in sugarcane. Product launch is expected in 2023.

The Company has executed Shareholders Subscription Agreement and Shareholders Agreement with M/s. IotechWorld Avigation Private Limited in August 2021 and invested Rs. 20 crores. Iotech is a manufacturer of various types of Drones, especially Agricultural survey and spray drones.

The Company has conducted the auspicious ritual of "Bhoomi Poojan" for the new R&D centre at Palwal in September 2021. Dr. Yogendra Sehrawat, Ex-Director - Horticulture, Government of Haryana graced the Bhoomi Pujan as Chief Guest, along with prominent dignitaries including Dr. Mahaveer Singh (DDA, Faridabad & Palwal).

The Company has entered/signed MoUs with various universities to jointly conduct research in crop protection chemicals including Govind Ballabh Pant University of Agriculture and Technology, Pantnagar (GBPUA&T), Chaudhary Charan Singh Haryana Agricultural University, Hisar, Sri Karan Narendra Agriculture University, Jobner, Jaipur, Lovely Professional University, Punjab, Maharana Pratap Horticultural University, Karnal.

In Financial Year 2021-22, the Company has taken a hit of Rs. 20 crore approx. on its revenue due to the discontinuation of the sale of Red Triangle Products. Now, in the basket of the Company's products, there is no Red Triangle Product.

Financial Performance for FY2021-22 (Standalone)

Revenue from Operations increased to Rs. 1477.77 Crores in FY2021-22 from Rs 1387.47 Crores in FY2020-21, 6.51 % up over last year.

- Profit Before Tax reduced to Rs. 277.48 Crores in FY2021-22 from Rs. 284.94 Crores in FY2020-21, 2.62% down over last year.
- Operating Profit Before Tax decreased to Rs. 247.09 Crores in FY2021-22 from Rs. 253.92 Crores in FY2020-21, 2.69% down over last year.
- Profit after Tax decreased to Rs. 208.78 crores in FY2021-22 from Rs. 210.56 Crores in FY 2020-21, 0.85% down over last year.
- The Company reported an EPS of Rs. 44.82 in FY2021-22 compared to Rs. 44.61 in FY2020-21.

Segment Performance

| Segments | of FY 2021-22 Revenue (%) | of FY 2020-21 Revenue (%) |
|--------------|---------------------------|---------------------------|
| Insecticides | 37% | 41% |
| Fungicides | 19% | 17% |
| Herbicides | 32% | 30% |
| Others | 12% | 12% |

Key Financial Ratios

| Particulars | FY 2021-22 | FY 2020-21 |
|-----------------------------|------------|------------|
| Debtor Turnover | 5.63% | 5.72% |
| Inventory Turnover | 2.92% | 3.17% |
| Debt Service Coverage Ratio | 32.62% | 35.61% |
| Current Ratio | 3.14% | 3.11% |
| Debt Equity Ratio | 0.03% | 0.06% |
| Operating Profit Ratio | 17.82% | 19.40% |
| Net Profit Ratio | 14.13% | 15.18% |
| Return on Equity Ratio | 23.77% | 28% |

Business Outlook

The Company will work towards engaging with all the participants across the value chain both upstream and downstream to deliver a strong kharif season and build a solid momentum for the remaining part of FY2022-23. As per the IMD Report, the monsoon is expected to be normal in this year and this has brought smile on the faces of the farmers. Also, the high commodity prices will encourage the farmers to protect their crops with higher investment and we expect higher consumption of Agrochemicals this year. The Company has a strong pipeline of section 9(3) and 9(4) products as the CIBRC has approved three 9(3) Registration for the Company's products. This will drive revenue growth in the coming years.

The Company is working on its greenfield project at Dahej, Gujarat, as per the scheduled plan. Some new initiatives for business expansion that the Company has taken in the last financial year are an investment in a Drones Manufacturing

Start-up, the establishment of a Biological Products Division, and a plan to set up a new Exports Division for creating new revenue streams for the company for mid to long term growth.

Material Development in Human Resources / Industrial Relations

Innovation is in the Value system of Dhanuka and we believe in living our values. At Dhanuka we continuously work on bringing innovative HR practices which are designed on principles of Simplification, Standardization, Automation and Analytics. Under these principles of Simplification, Standardization, Automation and Analytics, various initiatives have been taken during Financial Year 2021-22:

- Continuous process improvements based on feedback and inputs from multiple stakeholders, past experiences and industry best practices (Recruitment and Selection, Leave & Attendance Management and Off-boarding) intended towards giving better employee experiences.
- Automation has been the key focus in the last year towards bringing all HR processes on a common HRMS which is simple to understand and user-friendly, to increase speed and quality of delivery, reduction in paperwork and more empowerment for things to move on their own.
- Focus on enhanced HR service delivery through the introduction of an HR Generalist, a single point of contact for each employee.
- Building a Learning organization has been another strong initiative that has been in focus.

Dhanuka Agritech Limited is committed to providing a robust learning platform and at the same time building the capability of its employees. Dhanuka has a dedicated Learning and development team which works in close partnership with the business leadership team, to augment the learning and development requirements of employees and making them future ready.

The Company had 969 permanent employees as on 31st March, 2022.

Learning and Development of Employees

Employees' growth and learning have become a fundamental part of organizations' business strategy in light of the ever-changing normal. The time demands to believe in a culture of constant learning and upscaling our skills to keep up with the ever-growing dynamic world.

Capability building of employees is a continuous process and is of prime importance in Dhanuka. There are regular trainings which are conducted for employees as per their job-related requirements to be more effective in their current role and help them in preparing for their next role. The trainings are designed as per the learning needs of employees and in consultation with our stakeholders. The trainings are conducted through various modes, including classroom training, on-the-job learning, and training using technological platforms etc. The Company plans

multiple learning interventions in partnership with its internal in-house experts and externally with the support of vendors.

One of the important and critical initiatives taken by our organization toward developing the sales workforce is the Sales Academy-DARES (Dhanuka Academy to Reach Excellence in Sales). The academy encompasses a very specialized development journey, with its holistic approach to learning by leveraging an optimal blend of technology and human expertise.

Dhanuka focuses on employee development through structured learning interventions so as to develop the capability of the employees and enhance employee skill sets.”

Environment Safety, Health and Energy Conservation

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

Stakeholder Engagement

The Company's endeavour is to maintain regular engagement with all its stakeholders to ensure their concerns are addressed and expectations are met. Dynamic processes are in place within the Company to ensure integration of feedback from various stakeholders such as suppliers, customers, employees, and investors on a routine basis. By trusting employees, partnering with suppliers and dealers, and engaging with local communities, we work towards serving and delighting our customers.

Internal Control Systems and Adequacy

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

A CEO and CFO Certificate, forming part of the Corporate Governance Report, confirm the existence and effectiveness of internal controls and reiterate their responsibilities to report deficiencies to the Audit Committee and rectify the same.

Risk Mitigation Framework

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

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

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

Cautionary Statement

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



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to submit the 37th Annual Report on the Business and Operations of the Company along with its Audited Standalone and Consolidated Financial Statements for the Financial Year (FY) ended 31st March, 2022.

Financial Highlights

(Rs. in Crores)

| Particulars | Standalone FY 2021-22 | Standalone FY 2020-21 | Consolidated FY 2021-22 | Consolidated FY 2020-21 |
|--|--------------------------|--------------------------|----------------------------|----------------------------|
| Revenue From Operations | 1477.77 | 1387.47 | 1477.77 | 1387.47 |
| Other Income | 33.59 | 33.70 | 33.59 | 33.70 |
| Total Revenue | 1511.36 | 1421.17 | 1511.36 | 1421.17 |
| EBIDTA | 296.97 | 302.81 | 297.06 | 302.81 |
| Depreciation | 16.28 | 15.18 | 16.28 | 15.18 |
| Finance Cost | 3.20 | 2.69 | 3.20 | 2.69 |
| Profit before Tax | 277.48 | 284.94 | 277.59 | 284.94 |
| Provision for Taxation | 68.70 | 74.38 | 68.70 | 74.38 |
| Profit after Tax (PAT) | 208.78 | 210.56 | 208.89 | 210.56 |
| Other Comprehensive Income | 1.91 | 1.30 | 1.91 | 1.30 |
| Total Comprehensive Income for the Period | 210.69 | 211.86 | 210.80 | 211.86 |
| Balance of Profit brought forward from previous years | 785.35 | 696.74 | 785.23 | 696.62 |
| Total | 996.04 | 908.60 | 996.03 | 908.48 |
| Appropriations | | | | |
| Less: Amount utilized for Buyback of Equity Shares | Nil | (99.80) | Nil | (99.80) |
| Less: Amount Transferred to Capital Redemption Reserve on Buyback of Equity Shares | Nil | (0.20) | Nil | (0.20) |
| Less: Tax Paid on Buyback | Nil | (23.25) | Nil | (23.25) |
| Less: Dividend on Equity Shares | (46.58) | Nil | (46.58) | Nil |
| Leases (Ind AS 116) transition effect | Nil | Nil | Nil | Nil |
| Balance Profit carried forward to Balance Sheet | 949.46 | 785.35 | 949.45 | 785.23 |

Note: The Wholly Owned Subsidiaries of the Company namely, M/s. Dhanuka Agri Solutions Private Limited and M/s Dhanuka Chemicals Private Limited have not yet started operations and therefore figures are same for Standalone and on Consolidated basis.

During the period under review, Revenue from Operations was **Rs. 1477.77** Crores **6.51%** up over last year. Operating Profit Before Tax decreased to **Rs. 247.09** Crores from **Rs. 253.92** Crores in FY2020-21, **2.69%** down over last year. Profit after Tax was at **Rs. 208.78** crores down by **0.85%** over last year.



• Business Operations

There was adverse impact of weather conditions in the first half of the Financial Year 2021-22 which has impacted the Company's Financials of First Half of Financial Year Ended 30th September 2021. However, the situation became favourable for consumption of agrochemicals which helped the Company recover its performance in the Second Half of the Financial Year ended March 31, 2022.

As per IMD Report, the monsoon is expected to be normal during the year 2022 in the country and this has brought a smile on the faces of the farmers. Also, the high commodity prices will encourage farmers to spend more on their crop and we expect higher consumption of Agrochemicals during the Financial Year 2022-23.

Further, there was a fire incident in the manufacturing unit situated at Udampur, J&K on 27th May, 2021. Due to fire, Loss of Inventory and other tangible assets worth Rs. 51.64 crores has been recognized in book of accounts and similar amount has been recorded under claim receivable head, as the management is fully confident of recovering the said amount from the Insurance Company.

Dhanuka continues to remain debt-free, due to robust Financial Management. Additionally, it has a healthy Net worth of Rs. 960.42 Crores as at 31st March, 2022. ICRA has upgraded its credit rating to [ICRA]AA (pronounced ICRA double A) from [ICRA]AA- rating for fund-based limits and accorded [ICRA]A1+ (pronounced ICRA A one plus) rating for its non-fund based limits.

During the year, the Company has received a 9(3) registration certificate for import of Halosulfuron Methyl Tech. Min. 97%. The Company has launched a Co-marketing product under brand name TORNADO containing Quizalofop Ethyl 7.5%+ Imazthpyre 15% to control broad leaf as well as narrow leaf weeds in Soybean and other crops. The Company has also launched a product ONEKILL a combination of Quizalofop Ethyl 4% + Oxyflourfen 6% EC, which will be used for the control of weeds in Onion Crop. The Company has received the Registration Certificate for Export u/s 9(3) for Bifenthrin 20% EC and Lambda Cyhalothrin 25% CS and also for Formulation of Indigenous Manufacture u/s 9(4) for Pymetrozine 50% WG to be used for protecting Rice crop from Brown Plant Hopper (BPH).

Dhanuka has been granted Patent for the new herbicide combination of Halosulfuron Methyl and Metribuzin for control of various weeds in sugarcane. Product launch is expected in 2023.

The Company has executed Shareholders Subscription Agreement and Shareholders Agreement with M/s.

lotechWorld Avigation Private Limited in August 2021 with an investment of Rs. 20 crores. lotech is a manufacturer of various types of Drones, especially Agricultural survey and spray drones.

The Company has conducted the auspicious ritual of “Bhoomi Poojan” for the new R&D facility site at Palwal in September 2021. Dr. Yogendra Sehwat, Ex-Director – Horticulture, Government of Haryana graced the Bhoomi Pujan as Chief Guest, along with prominent dignitaries including Dr. Mahaveer Singh (DDA, Faridabad & Palwal).

The Company has entered/signed MoUs with various universities to jointly conduct research in crop protection chemicals with various universities including Govind Ballabh Pant University of Agriculture and Technology, Pantnagar (GBP UA&T), Chaudhary Charan Singh Haryana Agricultural University, Hisar, Sri Karan Narendra Agriculture University, Jobner, Jaipur, Lovely Professional University, Punjab, Maharana Pratap Horticultural University, Karnal.

In Financial Year 2021-22, the Company has taken a hit of Rs. 20 crore approx. on its revenue due to discontinuation of the sale of Red Triangle Products. Now, in the basket of the Company's products, there is no Red Triangle Product.

• Impact of COVID 19

Due to Covid-19 Pandemic, the Company's operations were temporarily disrupted at its manufacturing facilities and sales depots across the Country. However, as the Company's products covered under Essential Commodities, there has been no major impact of Covid 19 on the business. During the second wave of Covid 19, Company's Factories and Depot(s) were fully operational with adequate safety, security and other measures / precautions as required by Government and Health advisories, ensuring uninterrupted supply of essential commodities.

The Company was prompt to implement various measures to protect its employees, communities, and operations from ensuring that the supply chain was not disrupted. The Company also encouraged non-critical operations to work from home and carry out interactions electronically. The Company adheres to government advisories and prescribed guidelines in and around the sites and also closely engages with suppliers, vendors and distributors to ensure against any adverse impact on its business operations. Favorable, relations with the domestic manufacturers and distributors have helped the Company to sustain inventories in the pipeline during the lockdown period.

• Dividend

The Board of Directors of the Company in its Meeting held on 2nd February 2022 has declared and paid an Interim Dividend @ 400% i.e. Rs. 8/- per Equity Share having Face Value of Rs. 2/- per Equity Share amounting to Rs. 37.26 Crores to the Members of the Company who held shares of the Company as on 12th February 2022 (Record Date).



Further the Board in its Meeting held on 23rd May, 2022, has proposed a Final Dividend @ 300% i.e. Rs. 6/- per Equity Share having Face Value of Rs. 2/- for the FY 2021-22. The said Dividend is subject to Shareholders' approval in the 37th Annual General Meeting scheduled on 02nd August 2022.

- **Dividend Distribution Policy**

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

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

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

During the Financial Year 2021-22, Unclaimed Final Dividend for Financial Year 2013-14 amounting to Rs. 5,57,872/- (Rupees Five Lakh Fifty Seven Thousand and Eight Hundred Seventy Two Only) was transferred to the Investors Education and Protection Fund (IEPF), pursuant to the provisions of Section 124(5) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time).

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the rules mentioned therein, all Shares in respect of which Dividend has not been paid or claimed for 7 (Seven) consecutive years or more were transferred in the name of IEPF after requisite notice given to concerned Shareholders. During the FY 2021-22, No Equity Shares were transferred to IEPF. Details of transferred Shares in previous years are available at the Company's website i.e., www.dhanuka.com under the "Investors - Corporate Governance" section and such shares can be claimed back from IEPF Authority after following the prescribed procedure.

- **Subsidiary Company**

At present, your Company has only two Wholly-owned Subsidiary Companies namely, M/s. Dhanuka Agri Solutions Private Limited, incorporated in Bangladesh and M/s Dhanuka Chemicals Private Limited, incorporated in India. Operations of both the Companies have not yet started. A Statement containing basic financial details of

this Company in Form AOC-1 is annexed as **Annexure "B."**

M/s Dhanuka Agri Solutions Private Limited ("DASPL"), has not started operations since incorporation. Therefore, the Board of Directors, in its Meeting held on 2nd February 2021, has approved the disposal/liquidation of this Company. The Company is in process of filing documents for liquidation of DASPL with the appropriate authorities of Bangladesh.

M/s Dhanuka Chemicals Private Limited, was incorporated in India on 21st June 2021 and the Company along-with its nominee(s) has fully subscribed 10,000 Equity Shares of M/s Dhanuka Chemicals Private Limited.

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

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

- **Share Capital**

The paid-up Equity Share Capital as at 31st March, 2022 was Rs. 9.32 Crores. During the year under review, the Company has not issued any shares.

- **Transfer to General Reserve**

This year no amount has been transferred to General Reserve.

- **Deposits from Public**

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

- **Future Prospects**

Dhanuka's Corporate Vision "**Transforming India through Agriculture**" signifies a responsive, trustworthy and farmers' friendly organization. 'Dhanuka Kheti Ki Nai Takneek (DKKNT)', is being a holistic approach of Integrated Crop Management for higher yields and in turn higher farmers' income. Company is remarkably contributing towards "**Transforming India Through Agriculture**" by educating Indian farmers with new and innovative techniques of farming.

The Company will endeavor towards engaging with all the participants across the value chain both upstream and downstream in order to deliver a strong kharif season and build a solid momentum for the remaining part of FY2022-



23. As per the IMD Report, the monsoon is expected to be normal during the Financial Year 2022-23. Also, the high commodity prices will encourage the farmers to protect their crops with higher investment and we expect higher consumption of Agrochemicals this year. The Company has a strong pipeline of section 9(3) and 9(4) products as the CIBRC has approved three 9(3) Registration for the Company's products. This will drive revenue growth in the coming years.

The Company is working on its greenfield project at Dahej, Gujarat, as per the scheduled plan. Some new initiatives for business expansion that the Company has undertaken in the last financial year comprises an investment in a Drones Manufacturing Start-up, the establishment of a Biological Products Division, and a plan to set up a new Exports Division for creating new revenue streams for the Company for mid to long term growth.

Product(s) Launch

Following New Products have been launched in the Financial Year 2021-22.

- **Tornado (Quizalofop ethyl 7.5% + Imazethapyr 15% EC)**, a comprehensive solution for weeds in Oilseeds Crops. TORNADO took its first digital imprint in a pan-India launch on 10th July 2021. It is a broad-spectrum herbicide for post-emergence control of Broadleaf & Narrow-leaf weeds. It has a dual-mode of action and has excellent translocation activity.
- **ONEKIL (Quizalofop-ethyl 4% + Oxyfluorfen 6% EC)**, complete solution for weed-free Onion crop. ONEKIL took its first digital imprint in a pan-India launch on 28th July 2021. ONEKIL is a post emergence, systemic herbicide that controls Narrow Leaf Weeds as well as Broad Leaf Weeds. Once ONEKIL is absorbed by the Onion crop's foliage and root system, it provides longer residual control to most of the weeds. Moreover, ONEKIL has effective rain fastness. ONEKIL has a dual mode of action and has excellent translocation activity. When it is absorbed through leaves, it moves downwards through the phloem, and when absorbed by roots, it moves upward through the xylem.

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

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

- **Web address for Annual Return**

The Annual Return of the Company pursuant to Section

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

- **Business Responsibility Reporting**

Business Responsibility Report as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015 is available at the website of the Company i.e. www.dhanuka.com under "Investors- Corporate Governance" Section. Any Member interested in obtaining a physical copy of the same may write to the Company Secretary at the Registered Office address of the Company.

- **Meetings of the Board**

Four Meetings of the Board of Directors were held during the Financial Year 2021-22. Detailed information about meetings of the Board of Directors and its Committees is given in the Corporate Governance Report annexed to this Report. The Company is in compliance with the Secretarial Standards prescribed by the Institute of Company Secretaries of India for the Board and Committee Meetings.

- **Board of Directors and KMP**

- In accordance with the provisions of the Companies Act, 2013, Mr. Arun Kumar Dhanuka, and Mr Rahul Dhanuka, Whole-time Directors will be liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment. Their re-appointment are recommended for the Members' approval at the ensuing 37th Annual General Meeting.
- Based upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company in their respective Meetings held on 02nd February 2022, the Members have re-appointed Mr Rahul Dhanuka as Whole-time Director of the Company for further period of Five (5) Years w.e.f. 1st May 2022, through Postal Ballot dated 02nd February 2022. The process of the Postal Ballot was completed on 16th March 2022.
- The Board of Directors after the consent and recommendation of the Nomination and Remuneration Committee at its Meeting held on 23rd May 2022 has re-appointed Mr. Ram Gopal Agarwal as the Whole-time Director under the Designation of Chairman of the Company for a further period of Five Years from 1st November, 2022 to 31st October, 2027 (both days inclusive) even after his attaining the age of 70 years, which is subject to the approval of Members at the ensuing 37th Annual General Meeting of the Company.
- The Board of Directors after the consent and recommendation of the Nomination and Remuneration Committee at its Meeting held on 23rd May 2022 has re-appointed Mr. Sanjay Saxena as an Independent Director of the Company, not liable to retire by rotation for Second Term of 5 (Five) consecutive years on the Board of the Company effective from 22nd May 2023, which is subject



to the approval of Members at the ensuing 37th Annual General Meeting of the Company.

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

- **Familiarization Program**

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

- **Directors' Responsibility Statement**

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

- The applicable Accounting Standards have been followed along with proper explanations relating to material departures while preparing the Company's Standalone and Consolidated Annual Accounts for the Financial Year ended March 31, 2022.
- The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial Year and of the Profit of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- The Directors have prepared the Standalone and Consolidated Annual Accounts on a going concern basis.
- The Directors have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and operating effectively.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

- **Corporate Governance**

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

The Board has also evolved and adopted a Code of Conduct as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015 based on the principles of good Corporate Governance and Best Management Practices. The Code is available on the Company's website i.e., www.dhanuka.com under

“Investors- Corporate Governance” Section.

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

- **Management Discussion & Analysis**

The Management Discussion and Analysis is given separately and forms part of the 37th Annual Report.

- **Corporate Social Responsibility (CSR)**

Agriculture is the culture of our Country and we are nurturing the “Culture” by protecting the same. CSR is not just a particular program but is what your Company does every day, maximizing positive impact on society and thus helping people to be happier. Your Company undertakes several initiatives like implementation of various education and training programs, construction of school, creating awareness among the masses about Water Conservation and Rainwater Harvesting. These are steps aimed at nurturing Agriculture and rural prosperity.

The detailed Annual Report on the Company CSR activities pursuant to the Company's (Corporate Social Responsibility Policy) Rules, 2021 is given in **Annexure “D”** forming part of this Report.

- **Internal Complaints Committee (ICC)**

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

The ICC comprises Ms. Abhilasha Singh (Presiding Officer), Mr. Sudhir Sharma (Member), Ms. Puja Gogia (Member) and Ms. Isha Thakur (Member). The Company has also formulated a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at the workplace. The Company's Policy under this Act is available on the Corporate Website i.e., www.dhanuka.com under “Investors- Corporate Governance” Section. The ICC provides a mechanism for reporting and redressing complaints related to Sexual Harassment of Women at the workplace. The Committee has not received any complaint of Sexual Harassment during the Financial Year 2021-22, nor has any complaint been received in previous years.

- **Committees of the Board**

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



- **Whistle Blower Policy**

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

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

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

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

- **Declaration by Independent Directors**

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

- **Performance Evaluation**

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

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

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

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

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

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

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

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

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

The Policy on Related Party Transactions is available on the website of the Company i.e., www.dhanuka.com under the "Investors – Corporate Governance" Section.

- **Risk Management Policy and Internal Adequacy**

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

- **Risk Management Committee**

A Risk Management Committee of the Board of Directors has been constituted in the Board Meeting held on 10th



June, 2020. Mr. Rahul Dhanuka was appointed as a Chairman and Mr. Harsh Dhanuka and Mr. VK Bansal were appointed as members of the Committee.

The said Committee was reconstituted on 21st May 2021 by appointing Mr Sanjay Saxena, Independent Director as Additional Member of the Committee. The scope of the Committee is to identify the elements of risk in different areas of operations and to develop a policy for actions associated to mitigate the risks and to identify new and emergent risks. This Committee will inform the Board, on a timely basis, about risk assessment and minimization procedures, which in the opinion of the Committee may threaten the existence of the Company, if any.

A Risk Management Policy has also been adopted in the Board Meeting held on 10th June, 2020, which is also available on the website of the Company under the Investors section.

- **Internal Control Systems and their adequacy**

Mr. Gautam Mittal, Deputy General Manager was appointed as Chief Internal Auditor of the Company for the Financial Year 2021-22. Considering the contribution made by him and based on recommendation of the Audit Committee the Board has re-appointed him as the Chief Internal Auditor. He is a Chartered Accountant having 15 years of rich experience in developing and implementing risk based audit strategy and SOX implementation. He heads the Internal Team to handle the complete Internal Audit functions of the Company.

The Audit Committee defines the scope and area of Internal Audit and periodically reviews the Internal Audit Plans and Internal Audit Reports. Based on Internal Audit Reports and observations, appropriate corrective actions are suggested by the Audit Committee. During the year, Internal Audit was regularly carried out and no material weakness was observed. There are adequate Internal Financial controls with reference to the financial systems. The same are periodically reviewed by the Statutory Auditors and by the Management, Board and Committees thereof.

- **Statutory Auditors**

As per Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in the 33rd Annual General Meeting held on 12th August, 2018 have ratified the appointment of M/s. S.S. Kothari Mehta & Co., Chartered Accountants (FRN – 000756N), having their Registered Office at Plot No. 68, First Floor, Phase-3, Okhla Industrial Area, New Delhi-110 020, as the Statutory Auditors of the Company.

The Audit Report given by M/s. S.S. Kothari Mehta & Co., Chartered Accountants on the Financial Statements of the

Company (on Standalone and Consolidated basis) for the Financial Year 2021-22 forms part of the Annual Report. There have been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013 and hence no detail is required to be disclosed under Section 134(3) of the Act.

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

- **Secretarial Auditors**

The Secretarial Audit of the Company was carried out by M/s. R&D, Company Secretaries, Practicing Company Secretaries (PCS) for the Financial Year 2021-22. The Report given by the Secretarial Auditors is annexed as **Annexure “F”** and forms an integral part of this Director's Report. Further, in terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) (Amended) Regulations, 2015, Annual Report on Compliance from Secretarial Auditors also forms part of Secretarial Audit Report as **Annexure “G”**.

There have been no qualification, reservation or adverse remark or disclaimer in their Report, during the year under review. The Secretarial Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013 and therefore no detail is required to be disclosed under Section 134(3) of the Act. In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in terms of Regulation 24A of Listing Regulations, the Audit Committee has recommended and the Board of Directors has appointed M/s. R&D, Company Secretaries, (PCS), having their Registered Office at 785, Pocket E, Mayur Vihar, Phase-II, New Delhi-110 091, as the Secretarial Auditors of the Company for the Financial Year 2022-23. The Company has received their written consent stating that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

- **Cost Records and Cost Auditors**

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

The Board of Directors, in compliance with the provisions of the Companies Act, 2013, Rules and Notifications issued thereunder, has appointed M/s. N. Khandelwal & Associates, Cost Accountants, having their Registered Office at A-71, Triveni Nagar, Gopalpura Bypass, Jaipur, Rajasthan-302018, as Cost Auditors to conduct Audit of the Cost Accounts maintained by the Company for the Financial Year 2022-23.



- **Status of Listing Fees**

Listing Fees for the Financial Year 2022-23 have been duly paid to BSE and NSE, where Company's shares are Listed.

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

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

- **Particulars of Employees**

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

- **Acknowledgement:**

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

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

For and on behalf of the Board

Sd/-
Mahendra Kumar Dhanuka
Managing Director
DIN: 00628039

Sd/-
Rahul Dhanuka
Chief Operating Officer
DIN : 00150140

Place: Gurugram
Date: 23rd May 2022



DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

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

2. OBJECTIVE

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

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

3. EFFECTIVE DATE

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

4. GUIDELINES FOR DECLARATION / RECOMMENDATION OF DIVIDENDS

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

5. THE POLICY SHALL NOT APPLY TO

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

6. RETAINED EARNING UTILIZATION

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

other criteria which the Board of the company may consider appropriate.

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

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

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

8. CIRCUMSTANCES UNDER WHICH THE SHARE-HOLDERS MAY OR MAY NOT EXPECT DIVIDEND

- 8.1 The dividend declaration decision of the company will be taken by the Board/Shareholders after due consideration of all the factors. The company will adopt a balanced approach to declare dividend with the objective of rewarding the shareholders appropriately and at the same time retaining the profits for its future requirements.
- 8.2 The Company has been consistently paying dividends to its shareholders and it can be reasonably expected to continue declaring same in future as well unless, it is restrained to declare dividend due to insufficient profits or the requirements to retain profits for its business needs or on account of any external or internal factors listed above.
- 8.3 The Company will endeavors to declare the dividend as per the guidelines issued by Govt. of India from time to time. However, the Company may propose lower dividend after analysis of various financial parameters, cash flow position and funds required for future growth, etc.

9. AMENDMENTS

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

10. DISCLOSURE

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



Annexure 'B'

FORM NO. AOC-1

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

As on March 31, 2022 (Rs. In Lacs)

| Name of the Subsidiary Company | M/s. Dhanuka Agri-Solutions Private Limited, Bangladesh | M/S. Dhanuka Chemicals Private Limited |
|--|---|--|
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Same (i.e. 31 st March, 2022) | Same (i.e. 31 st March, 2022) |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | Bangladeshi Taka (Exchange Rate 1 BDT=INR 0.8812) | Indian Rupees |
| Share capital (Rs.) | 0.093 | 1.00 |
| Reserves & surplus | NIL | NIL |
| Total assets | 0.07081 | 0.82 |
| Total Liabilities | 13.5105 | 0.12 |
| Investments | NIL | NIL |
| Turnover | NIL | NIL |
| Profit before taxation | (1.85) | (0.30) |
| Provision for taxation | NIL | NIL |
| Profit after taxation | (1.85) | (0.30) |
| Proposed Dividend | NIL | NIL |
| % of shareholding | 100% | 100% |

For and on behalf of the Board of Directors

Sd/-
Mahendra Kumar Dhanuka
Managing Director
DIN: 00628039

Sd/-
Rahul Dhanuka
Chief Operating Officer
DIN: 00150140

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

Sd/-
Jitin Sadana
Company Secretary
FCS-7612

Date: 23rd May, 2022
Place: Gurugram



Annexure 'C'

(A) Conservation of Energy

1. Automatic on/off system installed in an underground water tank and overhead water tank. The pump will run automatically when a low level achieves and stops when a high level achieves. Hence reduced consumption of electricity.
2. Electromagnetic Flowmeter installed on ETP/STP water line for proper assessment.
3. Maximized Reuse/ Recycle of Waste Water: 100%STP treated water is being used for gardening area
4. Installation of chiller in PD lab to maintain reflux temperature (earlier there was a provision of controlling temperature through ice, In such way there is handsome saving of energy (thermostat provision in chiller) as well as able to reduce water wastage.
5. Reduced the consumption of Paper usage. Promoted soft copy record instead of hard copy, using both sides of the paper for writing purpose, no printouts were taken unless it was essential & monitoring of consumption of paper.
6. Reuse of reflux-distillation water being used for testing/analysis of product in the laboratory.
7. Installation of 257 KW Solar power energy system for captive consumption.
8. Conversion of existing light fittings to LED light fittings have been completed in all areas so that improve energy saving & safety also
9. With the installation of 2 New Filler with buffer tank, pump ON – OFF time is reduced, helps in power saving (with reduced run time)

(B) Technology absorption

(i) The following efforts were made towards technology absorption:

1. New Filling line installed with more advanced features like conveyor washing system, enhanced capacity.
2. ISO 9001-2015, ISO 14001-2015, OHSAS 18001-2007 and The ISO 45001-2018 for occupational health and safety management system certification audit completed and was successful.
3. Start-up of packing of 15 ml/g sku of Dhanzyme gold liquid /Dhanuvit through 4 track FFS machine resulting enhancement of 4 times productivity with same power consumption & operator & supervisor also.
4. Started packing of COC through FFS machine (Initially was manual filling), to increase the productivity 2 times in comparison to manual filling to save power & time

5. NABL audit surveillance audit conducted and successful, renewal letter released by NABL authority.
6. QR Coding: As we have started QR code on all products with Child Parent QR code Mapping system on all products & its SKU's which have helped in many ways to the investor as well as consumers
 - Eliminated Product Piracy
 - Reaches the trusted product with surety to consumers
 - Improved traceability
 - Effectiveness can be easily Measured
7. ZLD Plant: This helps in maximized recovery of water in consistent manner.

ZLD (Zero Liquid Discharge) is a treatment process designed to remove all the liquid waste from a system. ZLD reduces wastewater economically & produce clean water that is suitable for reuse & beneficial to the environment.
8. PIEZOMETER: This new device is installed in plant to check the ground water level, to monitor the water usage & consumption.

(ii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):

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

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

Your Company's strategic collaborations with MNCs have resulted in technology transfer and adoption of scientifically advanced, high-efficacy plant-protection chemicals by the Indian farmers, resulting in increased crop yields and farm incomes. This goes a long way towards ensuring food security for the nation.

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

The Company's Keshwana Unit has also received re-certification (for ISO 9001:2015 for Quality Management and ISO 14001:2015) for Environmental Management. The OHSAS 18001:2007 certification Awarded to the Company's Keshwana and Udampur unit demonstrates the Company's commitment to its employees, employees' families and other stakeholders



regarding the health, safety, and wellness of each person that may be exposed to the health and safety risks associated with the activities and operations of the Company. Further, it helps reduce accidents, disruptions, and their associated costs, thereby increasing productivity.

(C) Research & Development

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

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

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

Introduction of New Products

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

During 2021-22, Company has obtained approval of the CIB & RC, Govt. of India under section 9(3) of the Insecticides Act for two new molecules (herbicide and fungicide) for formulation indigenous manufacture.

Corn – Ex, herbicide (Halosulfuron Methyl 5% + Atrazine 48% WG) for the control of Barnyard grass (*Echinochloa* spp.), Crab grass (*Digitaria sanguinalis*), Goose grass (*Eleusine indica*), Desert Horse Purslane (*Trianthema monogyna*), Silver Cock's comb (*Celosia argentia*), Nut grass / Motha (*Cyperus rotundus*) in Maize.

Zanet, fungicide (Thiophanate methyl 38% + Kasugamycin

2.21% SC w/w) for the control of Powdery mildew (*Erysiphe orontii*) and Bacterial leaf spot (*Xanthomonas campestris*) in Tomato.

In addition, approval has also been granted for three new herbicides molecules and PGR for formulation indigenous manufacture under Section 9(4) of the Insecticides Act.

Pendimethalin 38.4% + Pyrazosulfuron Ethyl 0.85% ZC, herbicide for use on transplanted rice against wild rice (*Echinochloa colona*), barnyard grass (*Echinochloa crusgalli*), Common water clover (*Marsilea quadrifolia*), water crest (*Ludwigia parviflora*), Common sedge (*Cyperus difformis*) Cyperus spp.

Pendimethalin 35 % + Metribuzin 3.5% SE, herbicide for use on wheat against Canary grass (*Phalaris minor*), Wild oat (*Avenaludoviciana*), Lamb's quarters (*Chenopodium album*), Field bindweed (*Convolvulus arevensis*), Swine cress (*Coronopus didymus*), Burmuda grass (*Cyanadon doctylon*).

Bispyribac Sodium 20% + Pyrazosulfuron Ethyl 15% WDG, herbicide for use on rice against *Echinochloa colonum*, *Echinochloa crusgalli*, *Eclipta alba* & *Cyperus rotundus*.

Gibberellic Acid 40% WSG, PGR for use on Grapes and Rice

- Grape for Pre-bloom-elongation, Fruit setting-thinning, 6-7 mm berry size enlargement;
- Rice for 20-25 days after transplanting, At panicle emergence

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

International collaborations

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

Capacity building of Agri-input dealers

As knowledge is becoming the driving force for success in any enterprise, more so in agriculture, our Group is continuously pursuing upgrading the knowledge of agri-input dealers (over 4 lakh at present), who play an important role of the credible agriculture technology providers. Your Company was the first to join hands with the National Institute of Agricultural Extension Management (MANAGE), Hyderabad under Public-Private Partnership (PPP), and supported its out-reach Diploma in



Agricultural Extension for Input Dealers (DAESI), way back in 2002. With positive feedback, on our initiative under public-private partnership (PPP), three State Agricultural Universities (SAU) in Gujarat- Anand Agricultural University, Navsari Agricultural University, and Junagadh Agricultural University, launched one-year Diploma on the pattern of one by MANAGE, as an outreach program, in which your Company met 50% of the fee. We are happy to share that today five State Universities with our PPP are running this program effectively.

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

The expenditure incurred on R&D during Financial Year 2021-22 and in the preceding year is as below:

(Rs. in Lacs)

| Particulars | 2021-22 | 2020-21 |
|--|---------|---------|
| Capital | Nil | Nil |
| Recurring | 384.77 | 239.03 |
| Total | 384.77 | 239.03 |
| Total R&D expenditure as % of total turnover | 0.26% | 0.17% |

Foreign Exchange Earnings and Outgo

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

(Rs. in Lacs)

| Particular | 2021-22 | 2020-21 |
|---------------------------|-----------|-----------|
| Foreign Exchange Earned | 1,396.89 | 1,477.85 |
| Outgo of Foreign Exchange | 20,679.51 | 21,681.68 |

Looking beyond

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

For and on behalf of the Board

Sd/-
Mahendra Kumar Dhanuka
Managing Director
DIN: 00628039

Sd/-
Rahul Dhanuka
Chief Operating Officer
DIN : 00150140

Place: Gurugram
Date: 23rd May 2022

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2021-2022

1. Brief outline on CSR Policy of the Company.

The CSR Policy recommended by the CSR Committee has been approved by the Board of Directors and is available on the Corporate Website i.e., www.dhanuka.com

Your Company lays special emphasis on promoting education, eradication of hunger, poverty and malnutrition; conservation of water, deployment of water for agriculture and human use.

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

2. Composition of CSR Committee:

| Name of Director | Designation/ Nature Of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|----------------------------|---|--|--|
| Mr. Ram Gopal Agarwal | Chairman | 1 | 1 |
| Mr. Bajrang Lal, Bajaj | Member | 1 | 1 |
| Mr. Arun Kumar Dhanuka | Member | 1 | 1 |
| #Mr. Mahendra Kumar Dhnuka | Member | NA | NA |
| #Mr. Ashish Saraf | Member | NA | NA |

Mr. Mahendra Kumar Dhanuka and Mr. Ashish Saraf have been appointed as Member of the CSR Committee with effect from 23rd May, 2022

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company;

Website Link: <https://www.dhanuka.com/corporate-governance>.

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

No Impact Assessment has been done during the Financial Year 21-22. (NOT APPLICABLE)

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any; NOT APPLICABLE

6. Average net profit of the company as per section 135(5): Rs. 20195.69 Lacs

7. CSR Obligations:

| S. No | Particulars | Amount (Rs. in Lacs) |
|-------|---|-------------------------|
| a) | Two percent of Average Net Profit of the Company As per section 135(5) | 403.91 |
| b) | Surplus arising out of the CSR projects OR programmes or activities of the previous financial years | NIL |
| c) | Amount required to be set off for the financial year, if any | NIL |
| | Total CSR obligation for the financial year (7a+7b- 7c). | 403.91 |



8. (a) CSR amount spent or unspent for the Financial Year: Rs. 406.66 Lakhs

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | Amount remaining to be spent in succeeding financial years. (in Rs.) |
|---|---------------------------|--|--|--|--|
| | | | | Name of the Fund | Amount (in Rs.) Date of transfer. |
| No amount is unspent for the Financial Year 2021-22 | | | | | |

(b) Details of CSR amount spent against **ongoing projects** for the Financial Year: **NIL**

(c) Details of CSR amount spent against **other than ongoing projects** for the Financial Year:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | | |
|---------|--|--|----------------------|--------------------------|-----------|---|---|--|-------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Amount spent for the project (in Rs.). (In Lakhs) | Mode of implementation on - Direct (Yes/No) | Mode of implementation – Through Implementing Agency | |
| | | | | State | District | | | Name | CSR registration number |
| 1. | Donation for empowering the community of adults who have intellectual disabilities | Livelihood Enhancement | No | Karnataka | Bangalore | 1.00 | No | AMBA | CSR00001671 |
| 2. | Donation of DG Sets | Preventive Health Care | Yes | Rajasthan | Salasar | 5.00 | No | Chiranjilal Dhanuka Charitable Trust | CSR00007000 |
| 3 | Donation for Children's Education | Promotion of Education | Yes | Delhi | New Delhi | 44.00 | No | Bharti Lok Shiksha Parishad | CSR00000667 |
| 4 | Construction of School Building | Promotion of Education | Yes | Rajasthan | Salasar | 228.57 | Yes | NA | NA |
| 5 | Donation of 11 Oxygen Concentrators to Hospital | Preventive Health Care | No | Madhya Pradesh | Gwalior | 7.70 | Yes | NA | NA |
| 6 | Provide Student Fellowship to Maharana Pratap University of Agriculture & Technology | Promotion of Education | No | Udaipur | Rajasthan | 3.60 | Yes | NA | NA |
| 7 | Donation for Cancer Treatment | Preventive Health Care | Yes | Delhi | Delhi | 7.25 | No | Shri Ram Krishna Seva Sansthan | CSR00002707 |
| 8 | Ration Distribution | Eradicate Hunger and Malnutrition | Yes | Pan India | | 8.25 | Yes | NA | NA |
| 9 | Donation for Sports Activities | Promotion of Sports | No | Maharashtra | Pune | 0.25 | Yes | NA | NA |

| (1) Sl. No. | (2) Name of the Project | (3) Item from the list of activities in schedule VII to the Act. | (4) Local area (Yes/ No). | (5) Location of the project. | | (6) Amount spent for the project (in Rs.). (In Lakhs) | (7) Mode of implementation on - Direct (Yes/No) | (8) Mode of implementation – Through Implementing Agency | |
|----------------|--|---|------------------------------|---------------------------------|----------|--|--|---|-------------------------|
| | | | | State | District | | | Name | CSR registration number |
| 10 | Planting of Tree | Environment Sustainability | Yes | Pan India | | 0.25 | No | Agriankuran Welfare Association | NA |
| 11 | Donating Hearing Aid to Camp | Preventive Health Care | No | Uttar Pradesh | Lucknow | 3.29 | Yes | NA | NA |
| 12 | Provide Student Fellowship to Jawaharlal Nehru Krishi Vishwa Vidyalaya | Promotion of Education | No | Madhya Pradesh | Jabalpur | 2.65 | Yes | NA | NA |
| 13 | Donation for Children's Education | Promotion of Education | Yes | Haryana | Gurugram | 11.00 | No | Bharat Vikas Parishad | CSR0000558 |
| 14 | Awareness program for Farmers for safety use of agrochemicals and environment sustainability | Environment Sustainability | Yes | Pan India | | 1.25 | Yes | NA | NA |
| 15 | Donation of general Lab Equipment | Promotion of Education | No | Uttar Pradesh | Varanasi | 0.99 | Yes | NA | NA |
| 16 | Provide aids and medical supplies | Preventive Health Care | Yes | Rajasthan | Udaipur | 3.27 | No | Narayan Seva Sansthan | CSR00007855 |
| 17 | Provide Student Fellowship to Sri Karan Narendra Agriculture University | Promotion of Education | No | Rajasthan | Jobner | 3.10 | Yes | NA | NA |
| 18 | Provide aids and medical supplies | Preventive Health Care | Yes | Rajasthan | Udaipur | 2.22 | No | Tara Sansthan | CSR00003030 |
| 19 | Provide Student Fellowship to Punjab Agricultural university | Promotion of Education | No | Punjab | Ludhiana | 1.20 | Yes | NA | NA |
| 20 | Skill Development and Enhancing Employment | Employment Enhancing Vocational Skills | Yes | Pan India | | 61.80 | NAYes | NA | NA |
| 21 | Water Day Celebration/Drawing Competition | Environment Sustainability | Yes | Pan India | | 10.01 | NAYes | NA | NA |
| | TOTAL | | | | | 406.66 | | | |

d) Amount spent in Administrative Overheads- Nil

e) Amount spent on Impact Assessment, if applicable- Nil

f) Total amount spent for the Financial Year (8b+8c+8d+8e)- Rs 406.66 lakhs

g) Excess amount for set off, if any -Nil



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

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|--|-------------------|--|---------|-------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| Rs. 406.66 Lakhs | No amount is unspent for the preceding three financial years | | | | |

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

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---------|-------------|----------------------|--|-------------------|--|---|--|---|
| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in Rs.). | Amount spent on the project in the reporting Financial Year (in Rs.). | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed /Ongoing. |
| Nil | | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): Nil

(b) Amount of CSR spent for creation or acquisition of capital asset: Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Nil

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

Place: Gurugram
Date: 23rd May 2022

R.G. Agarwal
Chairman CSR Committee
DIN No. : 00627386

M.K. Dhanuka
Managing Director
DIN No. : 00628039



FORM NO. AOC-2

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

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

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

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

- (a) **Name(s) of the Related Party and nature of relationship:** M/s. Dhanuka Marketing Company. Mr. Ram Gopal Agarwal, Chairman and Mr. Mahendra Kumar Dhanuka, Managing Director are brothers of Mr. S.N. Agarwal, partner of DMC.
- (b) **Nature of contracts/ arrangements/ transactions:** Commission (C&F) agent and care-taker of the Company's operations in the South and East Zone(s).
- (c) **Duration of the contracts/ arrangements/ transactions:** For a period of 3 (Three) Financial Years from FY 2022-23 to FY 2024-25.
- (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:** Payment of Commission to DMC is @1% of the Net Sales of South and East Zone(s), as approved by the Audit Committee and the Board of Directors of the Company.
- (e) **Justification for entering into such contracts or arrangements or transactions:** DMC has been providing Commission (C&F) Agent services to M/s. Northern Minerals Limited (presently M/s. Dhanuka Agritech Limited) since 1980. DMC has strong network of dealers/ distributors in South and East Zone(s) and provides various value added services to the Company.
- (f) **Date(s) of approval by the Board:** 21st May, 2021
- (g) **Amount paid as advances, if any:** Nil.
- (h) **Date on which the Ordinary Resolution was passed in General Meeting as required under first proviso to Section 188:** 29th July, 2021.

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

During the year, the Company had not entered into any contract or arrangement or transaction with Related Parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions. Further refer Note No. 39 of Standalone Financial Statement.

For and on behalf of the Board of Directors

Sd/-

M.K. Dhanuka
Managing Director
DIN: 00628039

Sd/-

Rahul Dhauka
Chief Operating Officer
DIN: 00150140

Date: 23rd May, 2022
Place: Gurugram



Secretarial Audit Report

For the financial year ended 31st March, 2022

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

In terms of the provisions of section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014, and other applicable provisions, if any, we have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dhanuka Agritech Limited, a Company incorporated under the provisions of the Companies Act, 1956, vide CIN L 24219 DL 1985 PLC 020126 and having its registered office at 82, Abhinash Mansion, 1st Floor, Joshi Road, Karol Bagh, New Delhi-110005 (hereinafter referred to as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2022, generally 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 made available to us and maintained by the Company for the financial year ended on March 31, 2022 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (De-listing of Equity Shares) Regulations, 2009; Not applicable as the Company has not delisted/ proposed to delist its equity shares from any stock exchange during the financial year under review.
 - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
- vi. The Company has identified the following laws as specifically applicable to the Company.



- a. The Insecticide Act, 1968;
- b. The Legal Metrology Act, 2009;
- c. The Legal Metrology (Packaged Commodities) Rules, 2011

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India notified by Central Government with respect to board and general meetings;
- ii. The Listing Agreements entered into by the Company with National Stock Exchange of India and BSE Limited read with the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015;

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

We further report that

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

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

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

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

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

- The board has in its meeting held on 21st May, 2021 given its authorisation to invest Rs.30 Crore in IoTechWorld Avigation Private Limited (Investee Company) by way of subscription in Preference shares of the Investee Company. Out of Rs.30 Crore, Company has invested Rs.20 Crore by way of subscription in 0.01% Compulsorily Convertible Preference Shares of Rs.10 each during the financial year under review.
- The Company has incorporated a Wholly Owned Subsidiary named Dhanuka Chemicals Pvt Ltd on 21st June, 2021. The issued, subscribed and paid up capital is Rs.1 Lac divided into 10,000 equity shares held by Dhanuka Agritech Ltd.
- A fire broke out in the Company's Unit plant situated at Udampur, Jammu & Kashmir (J&K) on 27th May, 2021. The quantum of loss/damage/of Inventory caused due to this fire is Rs. 48 Crores (approx.), the management confirmed that the same is fully covered by the insurance. The board has taken note of the same in the board meeting held on 29th July, 2021.

For R&D Company Secretaries

Sd/-

Debabrata Deb Nath

Partner

FCS No.: 7775

CP No. : 8612

Peer Review Certificate No.1403/2021

UDIN: F007775D000364001

Date: 23rd May, 2022

Place: Delhi



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

'Annexure A'

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

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

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

For R&D Company Secretaries

Debabrata Deb Nath
Partner

FCS No.: 7775

CP No. : 8612

Peer Review Certificate No.1403/2021

UDIN: F007775D000364001

Date: 23rd May, 2022

Place: Delhi



Annexure 'G'

Secretarial Compliance Report of Dhanuka Agritech Ltd for the year ended 31st March, 2022

We have examined:

- all the documents and records made available to us and explanation provided by **Dhanuka Agritech Ltd** ("the listed entity"),
- the filings/ submissions made by the listed entity to the stock exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2022 in respect of compliance with the provisions of:

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018; and circulars/ guidelines issued thereunder;

and based on the above examination and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic,

We hereby report that, during the Review Period:

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

| Sr. No | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Deviations | Observations/ Remarks of the Practicing Company Secretary |
|--------|--|------------|---|
| NIL | | | |

- The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.



The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

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

d. The listed entity has taken the following actions to comply with the observations made in previous reports

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

For R&D Company Secretaries

Debabrata Deb Nath

Partner

FCS No.: 7775; CP No. : 8612

Peer Review Certificate No.1403/2021

UDIN: F007775D000364087

Place: Delhi

Date: 23.05.2022

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

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended 31st March, 2022

| Name of Director | Nature of Directorship | Ratio to median remuneration of employees* |
|----------------------|-------------------------|--|
| Mr. R.G. Agarwal | Chairman | 139.83 |
| Mr. M.K. Dhanuka | Managing Director | 128.83 |
| Mr. A.K. Dhanuka | Whole Time Director | 105.08 |
| Mr. Rahul Dhanuka | Whole Time Director | 100.85 |
| Mr Harsh Dhanuka | Whole Time Director | 48.02 |
| Mr. Mridul Dhanuka** | Non- Executive Director | 65.43 |
| Mr. Ashish Saraf | Whole Time Director | 6.05 |

* Median salary of employees during
 FY 2021-22 Rs. 4.48 Lacs p.a.
 FY 2020-21: Rs. 4.81 Lacs p.a.

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

ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2021-22

| Name of Director | Nature of Directorship | % Increase (decrease) in the remuneration |
|--------------------|-------------------------|---|
| Mr. R.G. Agarwal | Chairman | (0.48) |
| Mr. M.K. Dhanuka | Managing Director | (5.74) |
| Mr. A.K. Dhanuka | Whole Time Director | (2.08) |
| Mr. Rahul Dhanuka | Whole Time Director | (1.95) |
| Mr. Mridul Dhanuka | Non-Executive Director | (8.72) |
| Mr. Harsh Dhanuka | Whole Time Director | (1.83) |
| Mr. Ashish Saraf | Whole Time Director | 8.00 |
| Mr. V.K. Bansal | Chief Financial Officer | 16.18 |
| Mr. Jitin Sadana | Company Secretary | 15.00 |

iii) The percentage increase/(decrease) in the median remuneration of employees in the Financial Year 2021-22: (6.86%)

iv) The number of permanent employees on the rolls of Company as on 31st March, 2022: 968

v) Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year i.e. FY 2021-22 and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:

Average percentile increase in salaries of employees other than Managerial Personnel is higher than average percentile increase in the managerial remuneration.

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



Risk Identification, Assessment & Mitigation Document

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

Risk Management

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

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

Objectives of Risk Mitigation Plan

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

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

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

Risk Response Strategy

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

A risk may be:

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

Risk Management Committee

A Risk Management Committee of the Board of Directors has been constituted in the Board Meeting held on 10th June, 2020. Mr. Rahul Dhanuka was appointed as Chairman and Mr. Harsh Dhanuka and Mr. VK Bansal are appointed as Members of the Committee. The said committee was re-constituted on 21st May 2021 by appointing Mr. Sanjay Saxena, Independent director as member of the said Committee. The purpose of this committee is to identify the elements of risk in different areas of operations and to develop a policy for actions associated to mitigate the risks as well as identify new and emergent risks. This Committee will inform the Board, on a timely basis, about risk assessment and minimization procedures, which in the opinion of the Committee may threaten the existence of the Company, if any.

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

| S. No. | Category | Internal Risk Factors | Risk Assessment: Likelihood (L) / Impact (I) | Risk Response Strategy | Response Actions |
|--------|----------|--|--|------------------------|---------------------------------------|
| 1 | Man | Mis-handling of hazardous chemical and poisonous substances in the manufacturing process | L:Low I:High | Risk Reduction | Adequate training and safety measures |

| S. No. | Category | Internal Risk Factors | Risk Assessment: Likelihood (L) / Impact (I) | Risk Response Strategy | Response Actions |
|--------|----------------|--|--|------------------------|--|
| 2 | Money | Exposure to Foreign Exchange rate fluctuation | L: Medium I: Low | Risk Transference | The Company has the experience of many years that coverage cost is always more in compare to loss incurred due to foreign exchange rate fluctuation. Therefore, no coverage is taken to cover this risk by the Company. However, frequent reviews, including internal checks and controls, are implemented to review the same at frequent intervals. |
| 3 | Money/ Machine | Fixed Assets | L: Low I: Low | Risk Transference | Insurance coverage |
| 4 | Material | Development of resistance by pests to Company's products in the long term rendering them ineffective | L: Low I: Low | Risk Reduction | Introduction of new products and tie-ups with International manufacturers of innovative molecules. |
| 5 | Material | Dependence on Strategic collaborations for supply of technical. | L: Low I: High | Risk Retention | Maintaining amicable relations and a win-win approach towards existing collaborators and exploring new possibilities through two-pronged approach: a) widening of existing collaborations by adding new products b) exploring opportunities for collaborating with more Companies |
| 6 | Material | Increase in raw-material prices | L: Medium I: Low | Risk Reduction | For Principal products, the prices are mutually decided with suppliers, upfront at the beginning of each fiscal for tie-up products with MNCs. And for Generic products, change in price is generally based on demand and supply. We pass the price to the customer. |
| 7 | Method | Indiscriminate/ Faulty use of the products by farmers | L: Low I: Medium | Risk Reduction | Dhanuka's Doctors and field staff train and educate farmers |
| 8 | Method | Inadequacy of documented plans, policies and process flows, business contingency plan | L: Low I: Low | Risk Reduction | The Company has strong internal audit team, which review these policies and procedures on frequent intervals. |
| 9 | Management | Dependence on Key Management Team– Attrition Management, back-ups, and Succession planning | L: Low I: Medium | Risk Reduction | Training and development of the next level are being undertaken. Responsibility for the same is given to HR Head. |
| 10 | Measurement | Inaccuracy of forecasts, Inventory & Logistic mismanagement could result in unexpected reduction in sales due to stock-outs or surplus of stocks, wastages, theft, pilferage | L: Low I: High | Risk Reduction | Monthly review/meetings are done for the demand forecasts, inventory and logistic management and corrective actions are taken accordingly . |



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

| S. No. | Category | External Risk Factors | Risk Assessment Likelihood (L) / Impact (I) | Risk Response Strategy | Response Actions |
|--------|------------------|--|---|------------------------|---|
| 1 | Environment | Environmental conditions beyond the control of the Company like floods, droughts, monsoons, etc. can adversely affect operations of the Company | L: Medium I: High | Risk Retention | Usually, rain is not evenly spread out over the country. Hence, even if rains are scarce in one territory, the sales in other territories, which have better rainfall, average out the shortfall in sales |
| 2 | Environment | Considering the seasonality of the Company's business, sales may be low during the offseason | L: Medium I: Medium | Risk Reduction | Efforts are made to ensure the availability of adequate stocks during peak season, to maximize sales so that the total turnover meets targeted sales |
| 3 | Social | Sales of the Company are to a large extent dependent on the overall area under cultivation and the cropping pattern adopted by the farming community in India; increasing urbanization | L: Low I: Low | Risk Reduction | Products are being introduced which increase productivity per hectare. Also, some products indirectly increase productivity by protecting seeds from soil and seed-borne diseases. |
| 4 | Social | The increasing influence of NGO's / media wrt organic foods, side-effects of pesticides on health and environment | L: Low I: Low | Risk Reduction | Educating people about the increasing food needs of an increasing population and the extent of side-effects of pesticide usage. Also, environment-friendly, new low-dosage, but high-efficacy products are introduced to minimize damage to health & the environment. For instance, if 500 gm/ acre weedicide was being used earlier, now only 8 gm/ acre is being used because of advanced chemistry products. |
| 5 | Technological | Competition from other established companies and future entrants into the industry, both domestic and international, development of new molecules | L: Medium I: Medium | Risk Reduction | Continuous exploration & strategic collaborations with International companies for new technologically advanced and more effective products |
| 6 | Economic | General State of the Economy & Industry | L: Medium I: Medium | Risk Absorption | India is an agriculture-dominated economy, where 58% of the population is dependent on agriculture for livelihood, and ours is an agri-inputs Company. Also, the Company has started to explore new markets through exports. |
| 7 | Economic | Farmers' Incomes and Minimum Support Prices | L: Low I: Low | Risk Absorption | Farmers' incomes and Minimum Support Prices are increasing, which is beneficial to our Industry. |
| 8 | Political/ Legal | Failure to comply with/ changes in stringent quality norms prescribed by the Government, environmental & other laws/regulations/Policies/ litigation | L: Medium I: Medium | Risk Reduction | All due steps are taken to ensure timely compliances |
| 9 | Political/ Legal | Changes in Government Policies relating to hazardous Industries | L: Medium I: High | Risk Reduction | The Company is in collaboration with various Industry Association including FICCI and is in touch with the Regulator(s) to safe guard this Industry. |



REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

This includes its Corporate Structure and the manner in which it deals with various stakeholders. At Dhanuka, our Corporate Affairs must be managed fairly and transparently, bringing trust, faith, and belief in the system. Therefore, timely and accurate disclosure of information regarding the company's financial situation, performance, ownership, and governance is an integral part of our Corporate Governance.

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

Dhanuka complies with the Corporate Governance norms stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws as amended from time to time.

II. BOARD OF DIRECTORS

(a) Composition and Category of Directors:

The Board has an optimum combination of Executive, Non-Executive, and Woman Director. As on March 31, 2022, the Board comprises Fourteen Directors, out of which Eight are Non-Executive Directors, which consists of Seven Independent Directors (including One Woman Independent Director), and Six Executive Directors. Out of the Six Executive Directors, one is the Chairman, one is the Managing Director and one is the Chief Operating Officer of the Company. All the Seven Independent Directors are free from any business or other relationship that could materially influence their judgment. All the Independent Directors satisfy the criteria of Independence as defined under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

(b) Other Directorships and Committee Memberships:

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on the Company's Board is a Director in more than 10 Public Limited Companies (including "Dhanuka Agritech Limited") or is a Member of more than 10 Board Committees (Committees being the Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than 5 Board Committees as on 31st March, 2022.

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

| S. No. | Name of the Directors | Category | No. of Board Meetings during FY 2021-22 | | Attendance at last AGM held on 29 th July, 2021 | Directorship in Public Limited Companies as on 31.03.2022 | Membership of Committees (excluding Chairmanship) as on 31.03.2022 | Chairmanship of Committees as on 31.03.2022 |
|--------|--|--|---|----------|--|---|--|---|
| | | | Held | Attended | | | | |
| 1. | Mr. Ram Gopal Agarwal DIN: 00627386 | Executive (Promoter) Non- Independent | 4 | 3 | Present | 3 | 0 | 0 |



| S. No | Name of the Directors | Category | No. of Board Meetings during FY 2021-22 | | Attendance at last AGM held on 29 th July, 2021 | Directorship in Public Limited Companies as on 31.03.2022 | Membership of Committees (excluding Chairmanship) as on 31.03.2022 | Chairmanship of Committees as on 31.03.2022 |
|-------|---|---|---|----------|--|---|--|---|
| | | | Held | Attended | | | | |
| 2. | Mr. Mahendra Kumar Dhanuka DIN: 00628039 | Executive (Promoter) Non- Independent | 4 | 4 | Present | 2 | 1 | 0 |
| 3. | Mr. Arun Kumar Dhanuka DIN: 00627425 | Executive (Promoter Group) Non-Independent | 4 | 3 | Present | 4 | 1 | 0 |
| 4. | *Mr. Rahul Dhanuka DIN: 00150140 | Executive (Promoter Group) Non- Independent | 4 | 3 | Present | 3 | 1 | 0 |
| 5. | Mr. Harsh Dhanuka DIN: 00199516 | Executive (Promoter Group) Non-Independent | 4 | 4 | Present | 2 | 1 | 0 |
| 6. | Mr. Mridul Dhanuka DIN: 00199441 | Non-Executive (Promoter Group) Non-Independent | 4 | 2 | Present | 5 | 1 | 0 |
| 7. | #Mr. Ashish Saraf DIN: 07767324 | Executive Non Independent | 4 | 4 | Present | 1 | 0 | 0 |
| 8. | Mr. Priya Brat DIN: 00041859 | Non-Executive Independent | 4 | 4 | Present | 2 | 0 | 2 |
| 9. | Mr. Sachin Kumar Bhartiya DIN: 02122147 | Non-Executive Independent | 4 | 4 | Present | 3 | 1 | 0 |
| 10. | Mr. Vinod Kumar Jain DIN: 01185937 | Non-Executive Independent | 4 | 4 | Present | 1 | 1 | 0 |
| 11. | Mr. Sanjay Saxena DIN: 01257965 | Non-Executive Independent | 4 | 4 | Present | 1 | 0 | 1 |
| 12. | Mr. Bajrang Lal Bajaj DIN: 00041909 | Non-Executive Independent | 4 | 2 | Present | 2 | 1 | 0 |
| 13. | Ms. Namrata Gupta DIN: 08358673 | Non-Executive Independent | 4 | 4 | Present | 1 | 1 | 0 |
| 14. | Mr. Siraj Ajmat Chaudhry DIN: 00161853 | Non-Executive Independent | 4 | 4 | Present | 7 | 7 | 1 |

*Mr. Rahul Dhanuka has been re-appointed as Whole Time Director of the Company for the further period of five years effective from 1st May 2022, by the Shareholders of the Company by way of Ordinary Resolution through the Postal Ballot process which was completed on 16th March 2022.

#Mr. Ashish Saraf has been re-appointed as Whole Time Director of the Company for the further period of five years effective from 24th March 2022, by the Shareholders of the Company by way of Ordinary Resolution through the Postal Ballot process which was completed on 16th March 2022.

Note:

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



(ii) **Listed Entities where the Directors hold other Directorships in the Company other than Dhanuka Agritech Limited as on March 31, 2022**

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

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

(c) Board Meetings held during the Financial Year 2021-22:

During the Financial Year 2021-22, Four Board Meetings were held on 21st May 2021; 29th July, 2021; 30th October, 2021 and 2nd February, 2022. The time gap between any of the two Meetings was not more than one hundred and twenty days.

During the year, a separate meeting of the Independent Directors was held on 2nd February, 2022, to review the performance of the Non-Independent Directors, Chairman of the Board, Committees of the Board and the Board as a whole.

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

| Director | Relationship |
|--|--|
| Mr. Ram Gopal Agarwal, Chairman | Brother of Mr. Mahendra Kumar Dhanuka, Managing Director and Father of Mr. Rahul Dhanuka, Whole Time Director and Chief Operating Officer |
| Mr. Mahendra Kumar Dhanuka, Managing Director | Brother of Mr. Ram Gopal Agarwal, Chairman and Father of Mr. Harsh Dhanuka, Whole Time Director and Mr. Mridul Dhanuka, Non-Executive Director |
| Mr. Arun Kumar Dhanuka, Whole Time Director | Cousin Brother of Mr. Ram Gopal Agarwal, Chairman and Mr. Mahendra Kumar Dhanuka, Managing Director |
| Mr. Rahul Dhanuka, Whole Time Director and Chief Operating Officer | Son of Mr. Ram Gopal Agarwal, Chairman |
| Mr. Harsh Dhanuka, Whole-time Director | Son of Mr. Mahendra Kumar Dhanuka, Managing Director and Brother of Mr. Mridul Dhanuka, Non-Executive Director |
| Mr. Mridul Dhanuka, Non-Executive Director | Son of Mr. Mahendra Kumar Dhanuka, Managing Director and Brother of Mr. Harsh Dhanuka, Whole-time Director |

No other Director has any relationship inter se

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

Mr. Mridul Dhanuka, Non-Executive Director, is holding 28,131 Shares in the Company.

(f) Functioning of the Board and its Meetings:

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

The Company has proper systems to enable the Board to periodically review Compliance Reports of all laws applicable to the Company, as prepared by the Company, and steps taken by the Company to rectify instances of non-compliances. The Board reviewed Compliance Reports prepared by the Company quarterly.



(g) Presentation by the Management:

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

(h) Access to Employees:

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

(I) Re-appointment of the Directors:

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

(j) Information Flow to the Board:

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

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

(k) Familiarization Program and Training for Independent Directors:

The Company regularly provides orientation and business overview to its Directors by way of detailed presentations by various business & functional heads at Board Meetings and through other interactive programs. Such Meetings/programs include briefings on the Company's culture, values, business model, and the roles and responsibilities of the Directors and Senior Executives. Besides this, the Directors are regularly updated about Company's new projects, R&D initiatives, Product Launch, Litigation updates, changes in the regulatory environment and strategic direction. The Board members are also provided relevant documents, reports and internal policies to facilitate familiarisation with the Company's procedures and practices, from time to time.

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

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

The Company has laid down a Code of Conduct (as amended time to time) for the Board and Senior Management Personnel of the Company. The Company has received affirmations from the Board Members and Senior Management confirming their compliance with the Code for Financial Year 2021-22 and confirmation for adherence to Code for Financial Year 2022-23. An Annual Declaration signed by the Managing Director (MD) and Chief Financial Officer (CFO) to this effect forms part of this Report. The Code is available on the Company's website, i.e. www.dhanuka.com under the "Investors- about Board of Directors" Section.



(m) Code for Prevention of Insider Trading by Designated Persons:

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

The Company also has a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for Prevention of Insider Trading in line with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013 and referred to as the “Fair Disclosure Code.”

The Trading Window is closed from the closure/end of the quarter till 48 hours of publication of Quarterly Financial Results and also before the Board Meeting at which Unpublished Price Sensitive Information is discussed and re-opens after the Public Announcement of this information by the Company, in accordance with the Code. The Company observes a silent period when the Trading Window is closed.

The procedure for dissemination of Unpublished Price Sensitive Information is complied with by the Compliance Officer, as stated in the Fair Disclosure Code.

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

- **Board of Directors**

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

- **Senior Management**

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

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

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

| Name of the Directors | Qualification | Experience | Competencies |
|--|--|------------|---|
| Mr. Ram Gopal Agarwal Chairman Executive- Non-Independent | B.Com (Hons)-Sri Ram College of Commerce, Delhi University | 54Years | Mr. Ram Gopal Agarwal has a distinguished business career of more than 54 years. He is a decisive and action-oriented visionary who took over a sick pesticide Company named Northern Minerals Pvt. Ltd. in 1980. He transformed it into 1500 Crores plus Organization called Dhanuka Agritech Ltd. His deep commitment and inspiring leadership in initial turbulent days is an example worth inculcating. His passion to contribute to Indian Agriculture is commendable. His ability to prioritize and deal effectively with a number of tasks simultaneously reinforced with the skills to make effective decisions has transformed the business venture into one of the fastest-growing agrochemical Companies in India, rated thrice as 'Best under a Billion Company' by Forbes magazine. His rich and invaluable experience over the last five decades in Agrochemical Industry has contributed immensely to the company's growth and added much-needed expertise to the Board. He mentors and gives strategic direction to the |



| Name of the Directors | Qualification | Experience | Competencies |
|--|---|-----------------|--|
| | | | <p>team. In order to achieve his aspiration of “Transforming India through Agriculture,” he has dedicated himself to bring changes in Agrochemicals Industry and the farming community. His contribution to adopting newer farming techniques at the grass-root level, judicious use of agro chemicals in farming and imparting knowledge through his nationwide network of distributors and Dhanuka Doctors in the field has resulted in the overall prosperity of farmers. Mr. Ram Gopal Agarwal has been the past Chairman of CCFI, (Crop Care Federation of India), the apex Chamber of all India Agrochemical majors. He is also Chairman Advisory Committee of AGRO Chemicals Federation of India. Mr. Ram Gopal Agarwal, Group Chairman, has been bestowed with many awards for his tremendous contribution to Agro-Industry like the “Life Time Achievement Award” by Agri-Business Summit & Agri Awards 2019, “Distinguished Contribution to Indian Agrochemicals Industry” during India Chem 2016 International Conference organized by FICCI, the “Life Time Achievement Award” by Amity University for excellence in Agro-Industry in 2021, “Business Leader of the Year” by Global Leaders Conclave in 2021 etc. He is also associated with some of the highly recognized establishments of the country as Chairman of the Committee on Crop Protection Chemicals of the Federation of Indian Chambers of Commerce and Industry (FICCI) and Member of Crop Life India.</p> |
| <p>Mr. Mahendra Kumar Dhanuka Managing Director Executive- Non Independent</p> | <p>B.Com (Hons) -Sri Ram College of Commerce, Delhi University</p> | <p>48 years</p> | <p>Mr. Mahendra Kumar Dhanuka is working as Managing Director of the Company since its incorporation. He is an eminent personality and has a vast and rich experience of 48 years in the Agrochemicals Industry. He is proficient in Corporate Affairs, and his keen insight and judgment bring excellence to the Company's functioning, its Board, and Committees. He has deep commitment towards the achievement of organizational goals and has also played a key role in introducing corporate governance principles to the functioning of the Company. His foresight and business acumen have helped the Company achieve its goals.</p> <p>Acting as a member of the Audit Committee, he is excellently handling all the Financial Transactions of the Company and maintains tremendous control over minimizing frauds and malpractices in the Company. In his supervision Company has become debt-free, and there is no Long term borrowing in the Company.</p> |
| <p>Mr. Arun Kumar Dhanuka Executive- Non Independent</p> | <p>B.Com- Delhi University</p> | <p>44 Years</p> | <p>He has a distinguished corporate career of 44 years. He was responsible for the overall operations of the Gurgaon Factory. After shifting of manufacturing operations of Gurgaon Factory w.e.f. 9th January, 2018, he is taking care of Sanand Factory Operations. With his innovative ideas, able leadership, and utmost sincerity, he has raised the Company to new heights.</p> |
| <p>Mr. Rahul Dhanuka Chief Operating Officer Executive- Non Independent</p> | <p>Master in Business Administration-S.P. Jain Institute of Management & Research</p> | <p>24 Years</p> | <p>He has a distinguished Corporate career of more than 24 years. Being Director Marketing, he has tremendously contributed in taking sales to new heights. The Company has a Pan India presence and around 6500 distributors. Due to his excellent Marketing Management Skills, the Company has been able to penetrate the interiors of rural India. He has been instrumental in bringing new systems and policies to the organization, implementing ERP, and strategic business relationships with all the collaborators. As a member of the Stakeholders' Relationship Committee of the Company, he takes a keen interest in ensuring that no effort is spared to maintain good stakeholders' relationships and to address grievances speedily. Being the Chairperson of the Risk Management Committee of the Board of the Company he ensures that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.</p> |

| Name of the Directors | Qualification | Experience | Competencies |
|--|--|------------|--|
| | | | <p>As his role transcends the entire operations of the Company, the Board of Directors of Dhanuka Agritech Limited has appointed him as Chief Operating Officer (COO) of the Company w.e.f 21st May 2021.</p> <p>He was re-appointed as Whole Time Director of the Company by the Shareholders by way of Ordinary Resolution through Postal Ballot process dated 02nd Feb 2022 which was completed on 16th March 2022, effective from 01st May 2022.</p> |
| <p>Mr. Mridul Dhanuka</p> <p>Non-Executive -Non Independent</p> | <p>B.Tech (Chemical Engineering)-Pune University</p> <p>MBA-NITIE, Mumbai</p> | 17 Years | <p>He has a distinguished corporate career of 17 years. He is associated with Dhanuka since 2005. His technical expertise has supported to enlargement of the product base of Dhanuka. He helped the Company in smoothening the production, procurement, and logistic functions and established quality control. His new initiatives include improving the efficiency and functioning of the Company and thus improving profitability. He is instrumental in driving various initiatives with the support of senior leadership teams to achieve the set milestones of the organization. Under his exuberant personality and ambitious leadership, the Company expanded its production facilities, setting up state of the art world-class manufacturing facility at Keshwana. He was responsible for successfully realigning the entire supply chain vertical from procurement to sales. He has successfully improved the efficiency and productivity of all the manufacturing facilities of Dhanuka, thereby making a positive contribution to the company's profitability. Continuing the legacy, he led the organization's major projects, bringing Dhanuka closer to its aspiration of "Transforming India through Agriculture."</p> |
| <p>Mr. Harsh Dhanuka</p> <p>Executive Non-Independent</p> | <p>MBA- Monash Graduate Business School, Monash University, Melbourne, Australia</p> | 15 Years | <p>Mr. Harsh Dhanuka has been associated as Vice President –Marketing in the past and associated with Dhanuka for the past 15 years. He is instrumental in driving many key initiatives under various facets of the Company, directly impacting its Sales. He has a BBA degree specializing in Marketing and HR and a Masters Degree in International Business from Monash University, Melbourne, Australia.</p> <p>He undertook training in various departments of the Company like Accounts, Finance, HR and R&D, before moving to Sales Division, where he spent 7+ years. He handled multiple roles in the sales division, such as Sales Manager, Regional Manager and Zonal Manager, before moving into his current role.</p> <p>Mr. Harsh is responsible for all the International Relationships of Dhanuka and working on getting new patented products and technologies to benefit Indian farmers. He has initiated and pioneered the Sales Excellence department, which is now a key function for performance management of the Sales Department and supports in Farmer outreach. He is also working on expanding Dhanuka's business by tying up with Indian Corporates and other Institutional Customers to add a new Revenue stream for the Company. He is also a Member of Risk Management Committee and Stakeholders Relationship Committee of the Board of Directors of the Company.</p> |
| <p>Mr. Ashish Saraf</p> <p>Executive - Non Independent</p> | <p>B.Com- Shaheed Bhagat Singh College, Delhi University</p> | 28 Years | <p>He is empowered with an astute understanding of various industries and their dynamics through his expertise, which spans over three decades in several corporate and business segments. In March 2017 he came to the Board of Dhanuka Agritech Ltd. as a Whole Time Executive Director.</p> <p>He has garnered accolades and business management expertise as the Promoter & CEO of M/s. Narayan International, New Delhi, (International Trade, Consultancy & Liaisoning) from 1988 to 2013.</p> <p>Thereafter, he contributed his skills and holistic acumen to M/s. Mauria Udyog Ltd. (Terry Towel) as a COO, Management Consultant and liaisoned with various Govt. Dept. / Ministries from October 2013 to January 2017.</p> <p>He was re-appointed as Whole Time Director of the Company by the Shareholders by way of Ordinary Resolution through Postal Ballot process which was completed on 16th March 2022.</p> |



| Name of the Directors | Qualification | Experience | Competencies |
|---|--|------------|--|
| Mr. Priya Brat Non-Executive Independent | M.Sc (Hons)-Physics; Fellow Member- Indian Institute of Bankers, Diploma (International Finance)- Development Management Institute, Geneva Diploma (Banking, Finance and Accountancy)-The Indian Institute of Bankers, Mumbai | 53 Years | He has a distinguished career in the State Bank of India and headed various important assignments related to Industrial Credit, Forex Management, Project Appraisal, Loan Syndication and Merchant Banking. Mr. Brat plays a vital role in the Board's effective functioning and has made commendable suggestions from time to time. Being from a Banking background and having rich experience in the financial sector, Mr. Brat is heading Audit Committee and Nomination and Remuneration Committee of the Company as Chairman and has been instrumental in maintaining high standards of accuracy and efficiency in all financial transactions, Audit, internal controls etc. |
| Mr. Sachin Kumar Bhartiya Non-Executive - Independent | Fellow Chartered Accountant B.Com- University of Calcutta | 21 Years | He is a Partner at Lighthouse Funds, an India dedicated mid-market focused private equity fund. At Lighthouse, Mr. Sachin leads Agri and consumer verticals. He presently sits on the Boards of Bikaji Foods (one of the largest ethnic snacks Companies in India), Indian Herbs (the largest herbal medicine and feed supplement Company in India mainly focusing on cattle and poultry), Stylam Industries (premium laminates maker), and Capital Trust Ltd (lending to MSME enterprises). He was also involved in Fund's investments in Shaily Engineering (plastic product Company), Unibic Biscuits (premium cookies Company) and Suraksha Diagnostics (eastern India-focused diagnostics chain) and held Board positions there. |
| Mr. Vinod Kumar Jain Non-Executive Independent | B.Com- Sri Ram College of Commerce, Delhi University | 47 Years | He is having rich and multifaceted experience of more than 47 years. With his innovative ideas and skills, he has taken his business of cotton yarn to new heights. He is also Secretary of the Cotton Yarn Merchant Association. He has added value to the Company's systems by giving his valuable suggestions and recommendations to the Board in critical areas. He is also acting as a member of the Audit Committee and provides his valuable guidance relating to the Company's business operations and financial matters. |
| Mr. Sanjay Saxena Non-Executive Independent | ❖ Cost and Management Accountant- Institute of Cost & Management Accountants of India (ICMA) ❖ B.Com- Delhi University ❖ PG Diploma (Urban Management and Planning with distinction) Institute for Housing and Urban Development Studies (IHS), Erasmus University, Rotterdam, The Netherlands ❖ Diploma in Advance Software Application - Computers Point, New Delhi | 28 Years | Mr. Sanjay Saxena has over 28 years of international experience and has worked on more than 150 development projects in 35 countries worldwide in a wide range of areas, ensuring their effective design and successful implementation. He is a Fellow Cost and Management Accountant (ICWA), holds an international Post Graduate Diploma in Urban Management and Planning, and advanced Diploma in Computer Software Applications. He has worked extensively with development agencies, such as ADB, World Bank, UNDP, UNOPS, UNICEF, and leading bilateral development agencies, such as DFID, JBIC, etc. Mr. Sanjay's core competence lies in assembling and managing highly qualified multi-disciplinary international teams and engaging with a range of public, private, community and non-governmental stakeholders for timely and quality completion of the design and implementation of projects and programs. Mr. Sanjay has conducted over 200 national and international conferences, seminars, training workshops and best practices study tours on governance themes. He has published over 170 books on e-governance, MIS and ICT, which are used by over 700 colleges and universities in India as course material for graduate and post graduate levels. He runs a consultancy firm called Total Synergy Consulting, which provides consulting services for national, state and local governments. Mr. Saxena is associated with Dhanuka for the past four years. He is a Chairman of the Stakeholders' Relationship Committee and Member of Nomination and Remuneration Committee. His diversified experience has proved very beneficial for the Board. He has made valuable suggestions on various operational, and financial matters. As a Stakeholders' Relationship Committee Chairman, he ensures that the Company / RTA speedily addresses transfer / transmission/ demat / remat requests. He has been appointed as a Member of the Risk Management Committee of the Board of Directors of the Company w.e.f 21 st May 2021. |

| Name of the Directors | Qualification | Experience | Competencies |
|---|---|------------|--|
| Ms. Namrata Gupta Non-Executive Independent | <ul style="list-style-type: none"> ❖ M.Com-Kurukshetra University ❖ M.A.-Psychology ❖ PGD-(Psychological Counselling) and M. Phil- (Organisational Behaviour) -Institute of Psychotherapy and Management Sciences ❖ Member- International Association for Counselling (IAC) | 12 Years | She has over 12 years of experience in Relationship Counselling, Master practitioner in the Neuro-Linguistic program, and worked with people individually and in groups and helped them develop a strong positive self-image, improve communication, and resolve conflicts. |
| Mr. Bajrang Lal Bajaj Non-Executive Independent | <ul style="list-style-type: none"> ❖ Fellow Chartered Accountant (Rank Holder) ❖ Fellow Company Secretary (Gold Medalist) ❖ Fellow Member of Indian Management Association <p>Association with the Chambers of Commerce & Industry (Present/Past)</p> <ul style="list-style-type: none"> ❖ FICCI- Industry Committee ❖ FICCI- Finance and Banking Committee ❖ FICCI- Foreign trade Committee ❖ Several Committees of PHDCCI | 22 Years | He has over 22 years of rich experience in Corporate Finance, Cross Border Business Development, M&A & General Management, and Offers advisory services. He is the Managing Director of M/s. Dynamic Orbits Consultancy Pvt. Ltd, looking for mergers/acquisitions/JVs and cross-border business development for Indian and global Corporate. Industry Experience- Automobiles, Chemicals, Power, Textile, IT, Services, International Business and Investment Banking. Handled functions like-Strategy, Business Development, Operations, and CEO positions. |
| Mr Siraj Azmat Chaudhry Non-Executive Independent | <ul style="list-style-type: none"> ❖ MBA from the Indian Institute of Foreign Trade (IIFT) ❖ Graduate from Shri Ram College of Commerce, University of Delhi ❖ He is a member of CDC Group's Food & Agriculture Advisory Council ❖ He is the member of non-statutory advisory council of AB InBev, India and the Food & Agri Advisory Council at CDC Group plc. ❖ He has been past Chair of the National Committee on Food Processing at FICCI | 34 Years | Mr. Siraj Chaudhry is an industry expert, thought leader, innovator and a leading voice in the agriculture and food industry. He has worked extensively with industry, the social sector, and the Government on transformational and numerous nation-building projects. Mr. Siraj has over 34 years of experience in building, turning around, acquiring and divesting businesses. In his current role as Managing Director & CEO of NCML, he is leading the organization into greater diversification and expanding the company footprint across the country as a trusted and preferred Agri Supply chain and solutions company. Mr. Siraj was the Chairman of Cargill India, the Indian arm of Cargill Inc., where he led the build and expansion of Cargill's Food Business in India. Under his leadership, Cargill's Food Business became 5,000 Cr. entity in edible oils, flour, corn products, and food ingredients. He was instrumental in transforming a traditional B2B business into an FMCG company of repute. He is credited with pioneering edible oil fortification as a practice, recognized by Fortune Magazine as a Change the World activity. Mr. Siraj also serves as an Independent Director on the Boards of Tata Consumers Products Ltd., Tata Coffee Ltd., Dhanuka Agritech, and Jubilant Ingrevia Ltd. He has, in the past, been an Independent Director on the Board of IndusInd Bank and has served as the Co-chair of the National Committee for Agriculture at FICCI. He is a member of CDC Group's Food & Agriculture Advisory Council. He is also a member of the non-statutory advisory council of AB InBev, India and the Food & Agri Advisory Council at CDC Group plc. He has been past Chair of the National Committee on Food Processing at FICCI and the National Alliance for Edible Oil Fortification, a joint initiative by CII and GAIN to address malnutrition through food fortification. |



| Name of the Directors | Qualification | Experience | Competencies |
|-----------------------|---------------|------------|--|
| | | | <p>In the past, he has also served as the President of the Food Industry Skill Council under the NSDC. He has chaired the Agriculture and Food Committee at the American Chamber of Commerce and the Agriculture and Food Committee of USIBC in India.</p> <p>He is the recipient of numerous awards and recognitions, including Pride of Uttar Pradesh by Lucknow Management Association and Pioneer for Edible Oil Fortification by FSSAI.</p> <p>He holds an MBA from the Indian Institute of Foreign Trade (IIFT) and is a graduate of SRCC, University of Delhi</p> |

Expertise/ Skills of Directors

| S. No. | Name of Director | Expertise / Skills |
|--------|----------------------------|--|
| 1 | Mr. Ram Gopal Agarwal | Wide Management and Leadership Experience, Functional and Managerial Experience, Diversity and Personal Values, Education and Research, Social Reforms and betterment of the nation in areas of Trade and Industry and Decision Making. |
| 2 | Mr. Mahendra Kumar Dhanuka | Wide Management and Leadership Experience, Business Development, Finance and Banking matters, standardization of systems and processes across the organization, Corporate Governance, Investor Relation, Supply Chain and Decision Making. |
| 3 | Mr. Arun Kumar Dhanuka | Administrative reforms and strategy, New Technologies and Innovations, Finance and Banking matters. |
| 4 | Mr. Rahul Dhanuka | Strategic Marketing, Brand transformation, Business development and spearheading new projects, IT reforms, Human Resources and Decision Making. |
| 5 | Mr. Mridul Dhanuka | Standardization of systems and processes across the organization, Contract Drafting & Negotiations, Litigation Management Dispute Resolution, M&A Statutory Compliances and Intellectual Property Rights (IPR) etc. |
| 6 | Mr. Harsh Dhanuka | Technical procurement planning and foreign alliances, Technology matters and Business Administration, Supply Chain, Corporate Quality and Safety Functions and Spreading New Projects. |
| 7 | Mr. Ashish Saraf | Human Resources, Supply Chain and Business Administration. |
| 8 | Mr. Priya Brat | Finance and allied fields, Contract Drafting and Negotiations, Litigation Management Dispute Resolution, Finance and Banking Matters. |
| 9 | Mr. Sachin Kumar Bhartiya | Strategic private equity investment and Business Management, Investment Banking, Corporate Advisory and Project Appraisal. |
| 10 | Mr. Vinod Kumar Jain | Business Development, Human Resource and Supply Chain Management. |
| 11 | Mr. BajrangLal Bajaj | Corporate Governance, Banking and Finance matter, Capital Market Activity and Investor Relation. |
| 12 | Mr. Sanjay Saxena | IT reforms, Human Resources, Education and Research and Social Reforms. |
| 13 | Ms. Namrata Gupta | Human Resources, Advanced Management and Skill Development. |
| 14 | Mr. Siraj Azmat Chaudhry | Wide Management and Leadership experience, Technical planning, Business development and spearheading new projects |



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

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

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

No Independent Director(s) has given resignation before the expiry of his/her tenure, during the Financial Year 2021-22.

(iv) Changes among Directors:

There are no changes among the Board of Directors of the Company, during the Financial Year 2021-22.

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

❖ Following Directors are liable to retire by rotation and are eligible for re-appointment at the forthcoming 37th AGM:

1. Mr. Rahul Dhanuka
2. Mr. Arun Kumar Dhanuka

❖ Following Directors are also proposed for re-appointment at the forthcoming 37th AGM

1. Mr. Ram Gopal Agarwal - as Whole Time Director w.e.f. 1st November, 2022
2. Mr, Sanjay Saxena - as Independent Director (2nd Term) w.e.f. 22nd May, 2023

Brief resume, nature of expertise in specific functional areas, Directorships, and Membership of the Board Committees of all the proposed appointees/re-appointees are given in the Explanatory Statement attached to the Notice of 37th AGM of the Company.

(b) Committees of the Board of Directors:

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

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

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Banking, Finance and Operations Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

➤ **Audit Committee:**

The Audit Committee of the Company is constituted in line with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and the Rules notified by the Central Government in this regard. The Board decides the Membership and terms of reference of the Audit Committee within the framework laid down by SEBI. Four Meetings of the Committee were held during the financial year 2021-22 on 21st May 2021; 29th July, 2021; 30th October, 2021 and 02nd February, 2022. The necessary quorum was present during all the Meetings.

Terms of Reference:

- 1) Recommend to the Board the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors, including filling of a casual vacancy, fixation of audit fee/ remuneration, terms of appointment and also provide prior approval of the appointment of and the fees for any other services rendered by the Statutory Auditors. The Committee will recommend to the Board the name of the audit firm that may replace the incumbent Auditor on the expiry of their term.
- 2) To review and monitor the information provided by the audit firm relating to the independence of such firm and, among other things, information relating to the non-audit services provided and expected to be provided by the Statutory Auditors.



- 3) Review with the Statutory Auditors their plans for and the scope of their annual audit and other examinations.
- 4) Discuss with the Statutory Auditors the matters required to be discussed for the conduct of the audit.
- 5) Review and examination with the Statutory Auditors the proposed Report on the annual audit, areas of concern and the accompanying management letter.
- 6) Review and examination of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statements are accurate, sufficient, and credible and evaluation of internal financial controls and risk management systems.
- 7) The Audit Committee will review with appropriate officers of the Company and the Statutory Auditors, the Annual Financial Statements of the Company before submission to the Board or public release thereof, focusing primarily on:
 - ❖ Matters required to be included in the Directors' Responsibility Statement in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013.
 - ❖ Any changes in accounting policies and practices and reasons for the same.
 - ❖ Major accounting entries based on the exercise of judgment.
 - ❖ Qualifications in draft Audit Report.
 - ❖ Significant adjustments made in the Financial Statements arising out of the audit.
 - ❖ The going concern assumption.
 - ❖ Compliance with accounting standards.
 - ❖ Compliance with Listing and other legal requirements concerning Financial Statements.
 - ❖ Disclosure of Related Party Transactions, i.e. transactions of the Company with its subsidiaries, promoters or the management, or their relatives, etc. that may have any conflict with the interest of the Company at large.
 - ❖ Contingent liabilities.
 - ❖ Status of litigations by or against the Company.
 - ❖ Claims against the Company and their effect on the accounts.
 - ❖ Modified opinion(s) in the draft audit report.
- 8) Reviewing with the Management, the annual/quarterly/interim Financial Statements before recommending to the Board for approval.
- 9) Review with the management the performance of the Internal Auditors and the existence, adequacy and effective functioning of the internal control systems including the internal control system over financial reporting.
- 10) Oversight of the Company's Financial Reporting process and the disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible.
- 11) Review the adequacy of the Internal Audit function, including the structure of the Internal Audit department, adequate staffing and the qualifications, experience, authority and autonomy of the person heading the department, the Reporting structure, coverage and frequency of Internal Audit.
- 12) Review with the senior Internal Audit executive and appropriate members of the staff of the Internal Audit department
 - The plans and the scope of their ongoing audit activities.
 - The periodic reports of the findings of the audit reports and the necessary follow-up.
 - Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of the internal control system of material nature and ensure that proper corrective action is taken.
 - The adequacy of the Company's internal financial controls as defined in Section 134 of the Companies Act, 2013.
- 13) Direct access to Chairman of the Audit Committee under Vigil mechanism/Whistle Blower Policy of the Company to provide adequate safeguards against victimization of all persons.
- 14) Review such other matters in relation to the accounting, auditing and financial reporting practices and procedures of the Company as the Committee may, in its own discretion, deem desirable in connection with the review functions described above.



- 15) Report its activities to the Board in such manner and at such times, as it deems appropriate.
- 16) Authority to investigate any matter in relation to the items specified in Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose; it will have full access to the information contained in the records of the Company. It may also investigate any activity within its term of reference. It has the authority to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (for non-payment of declared dividends) and creditors, if any and any other instance of a failure of legal compliance.
- 17) The Committee may seek information from any employee and may obtain from external independent sources any legal or other professional advice it considers necessary in the performance of its duties. It may also secure the attendance of independent professional persons with suitable qualifications and relevant experience in specific matters, if it considers this necessary.
- 18) Approval for appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc.
- 19) Review and monitor, with the management, the statement of uses/ application of funds raised through an issue (public, rights preferential issue etc.) the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the Report submitted by the monitoring agency monitoring the utilization of proceeds of the public issue or rights issue, and make appropriate recommendations to the Board.
- 20) Review of other Information:
 1. Management Discussion and Analysis of financial condition and results of operation.
 2. Statement of Significant Related Party Transactions submitted by the Management.
 3. Internal Audit Reports relating to internal control weaknesses.
 4. Inter-corporate loans and investments.
 5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
 6. Valuation of undertakings and assets of the Company, whenever necessary
- 21) Omnibus approval for Related Party Transactions.
- 22) Review and approval of all Related Party Transactions.
- 23) The Chairman of the Audit Committee will attend the Annual General Meeting of the Company and provide clarifications on matters relating to its scope sought by the members of the Company.
- 24) The Committee will review the Financial Statements, in particular the inter-corporate loans and investments made by or in the Subsidiary Companies.
- 25) In case the Auditor has sufficient reason to believe that an offense involving fraud is being or has been committed against the Company by employees of the Company or by the Company, the Auditor will forward his report to the Committee and the Committee will send its reply or observations to the Auditor and such matters will be reported to the Board by the Committee. The Statutory Auditors of the Company shall have a right to be heard in the Audit Committee Meetings and they will participate in discussions related to the audit and review of the annual Financial Statements of the Company and any other matter that in the opinion of the Statutory Auditors needs to be brought to the notice of the Committee or any matter in which they are invited by the Committee to participate.
- 26) The Committee will take into consideration the qualifications and experience of the person proposed for appointment as the Cost Auditor and recommend such appointment to the Board, together with the remuneration to be paid to the Cost Auditor.
- 27) The Committee will carry out all other duties, as may be prescribed by Listing Agreement with Stock Exchanges, Companies Act, 2013, Rules made thereunder and all other applicable laws.
- 28) To review the utilization of loans and/ or advances from/ investment by the Company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the Subsidiary, whichever is lower including existing loans/ advances/ investments existing with the Company.
- 29) To review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) at least once in a financial year and to verify that the systems for internal control are adequate and are operating effectively.
- 30) To Review the Report presented by the Compliance Officer with regard to compliance with the Internal Code of Conduct of the Company to Regulate, Monitor and Report Trading by Designated Persons.



Composition and Attendance

| Name | Designation and Category | Meeting(s) Held during Tenure | Meetings Attended |
|----------------------------|--|-------------------------------|-------------------|
| Mr. Priya Brat | Chairman- Non-Executive Independent | 4 | 4 |
| Mr. Mahendra Kumar Dhanuka | Member- Executive Non Independent | 4 | 4 |
| Mr. Vinod Kumar Jain | Member- Non-Executive Independent | 4 | 4 |
| Mr. Sachin Kumar Bhartiya | Member- Non-Executive Independent | 4 | 4 |

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

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

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

➤ Nomination and Remuneration Committee:

The Nomination and Remuneration Committee formulates the criteria for remuneration of Directors, Senior Management and Key Managerial Personnel and, after evaluation, recommends the same to the Board of Directors. This Committee also evaluates the performance of Independent Directors, the Committee(s) and the Board of Directors from time to time based upon descriptive performance evaluation forms. Non-Independent Directors conduct a detailed evaluation of the performance of Independent Directors based upon a pre-filled questionnaire setting out expectations from Independent Directors and their actual performance on same. During the year ended 31st March, 2022, two Committee meetings were held on 21st May, 2021 and 02nd February 2022. The necessary quorum was present during both the Meetings.

Constitution and Attendance:

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

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

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee:

- (1) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out the evaluation of every Director's performance;
- (2) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.



- (3) For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may;
- Use the services of external agencies, if required;
 - Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - Consider the time commitments of the candidates.
- (4) To Formulate criteria for performance evaluation of Independent Directors and the Board;
- (5) Devise a policy on Board diversity;
- (6) Evaluate whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.
- (7) Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time;
- (8) Any other matter, as may be required by the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any other law for the time being in force or as directed by the Board of Directors.

Nomination and Remuneration Policy

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

The Nomination and Remuneration Policy of the Company has been revised and approved by Nomination & Remuneration Committee in their meeting held on 2nd February, 2021. It was further approved by the Board of Directors of the Company in their Meeting held on 2nd February, 2021. The said Policy is available on its website i.e., www.dhanuka.com under the Investors Section.

Remuneration paid During Financial Year 2021-22

❖ To Non-Executive Directors

| S. No. | Name of the Directors | Commission (Rs. in Lacs) | Sitting Fee (Rs. in Lacs) |
|--------|---------------------------|--------------------------|---------------------------|
| 1. | Mr. Priya Brat | Nil | 4.20 |
| 2. | Mr. Vinod Kumar Jain | Nil | 3.60 |
| 3. | Mr. Siraj Ajmat Chaudhry | Nil | 2.40 |
| 4. | Mr. Sanjay Saxena | Nil | 3.90 |
| 5. | Mr. Sachin Kumar Bhartiya | Nil | 4.20 |
| 6. | Ms. Namrata Gupta | Nil | 2.70 |
| 7. | Mr. Bajrang Lal Bajaj | Nil | 1.20 |
| 8. | Mr Mridul Dhanuka | 292 | 1.20 |



❖ To Executive Directors:

As per the remuneration policy, the remuneration paid to Executive Directors is recommended by the NRC and approved by the Board, subject to subsequent approval by shareholders at the General Meeting and such other authorities, as the case may be. The remuneration is arrived at after considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company

(Rs. in Crore)

| S. No. | Name of the Directors | Salary and Allowances | Commission | Superannuation | P.F. | Total |
|--------|---|-----------------------|------------|----------------|------|-------|
| 1. | Mr. Ram Gopal Agarwal Chairman | 2.52 | 3.66 | - | 0.08 | 6.26 |
| 2. | Mr. Mahendra Kumar Dhanuka Managing Director | 2.01 | 3.66 | - | 0.08 | 5.75 |
| 3. | Mr. Arun Kumar Dhanuka Whole-time Director | 0.96 | 3.66 | - | 0.08 | 4.70 |
| 4. | Mr. Rahul Dhanuka Whole-time Director | 0.77 | 3.66 | - | 0.08 | 4.51 |
| 5. | Mr. Harsh Dhanuka Whole-time Director | 0.61 | 1.45 | - | 0.07 | 2.14 |
| 6. | Mr. Ashish Saraf Whole-time Director | 0.26 | - | - | 0.01 | 0.27 |

No sitting fees were paid to any Executive Director. The Non-Executive Directors were paid sitting fees of Rs. 60,000/- for each Board Meeting attended and Rs. 30,000/- for each Committee Meeting attended during the Financial Year 2021-22.

❖ Details of Equity Shares Held by Directors as on 31st March, 2022

| Name of the Directors | Number of Equity Shares |
|----------------------------|-------------------------|
| Mr. Ram Gopal Agarwal | 192642 |
| Mr. Rahul Dhanuka | 205250 |
| Mr. Mahendra Kumar Dhanuka | 28131 |
| Mr. Mridul Dhanuka | 28131 |
| Mr. Arun Kumar Dhanuka | 37200 |
| Mr. Harsh Dhanuka | 28131 |

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

None of the Non-Executive Directors hold any Equity Shares of the Company, except Mr.Mridul Dhanuka, who holds 28131 (Twenty Eight Thousand One Hundred & Thirty-One) Equity Shares.



➤ Stakeholders' Relationship Committee:

During the Financial Year 2021-22, One Stakeholders' Relationship Committee Meeting was held on 30th October, 2021. The necessary quorum was present during the Meeting.

Constitution and Attendance:

| Name | Designation and Category | Meeting(s) Held during Tenure | Meetings Attended |
|-------------------|---------------------------------------|-------------------------------|-------------------|
| Mr. Sanjay Saxena | Chairman Non-Executive Independent | 1 | 1 |
| Ms. Namrata Gupta | Member- Non-Executive Independent | 1 | 1 |
| Mr. Rahul Dhanuka | Member- Executive Non Independent | 1 | 0 |
| Mr. Harsh Dhanuka | Member- Executive Non Independent | 1 | 1 |

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

Terms of Reference:

The Stakeholders' Relationship Committee:

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

Name, designation and address of Compliance Officer:

Ms. Jitin Sadana, Company Secretary & Compliance Officer
Dhanuka Agritech Limited (CIN:L24219DL1985PLC020126)
Global Gateway Towers, MG Road,
Near Guru Dronacharya Metro Station,
Gurgram , Haryana-122002

Number of Shareholders Complaints received: During the Financial Year 2021-22, the Company has received **(147)** correspondences and **NIL** Complaints. 11 correspondences were received by RTA (including nil complaint) from the Shareholders. At the end of the Financial Year, no complaint was pending, and all were resolved.

➤ Banking, Finance and Operations Committee:

During the Financial Year 2021-22, Thirteen (13) Meetings of the Banking, Finance and Operations Committee of the Board of Directors were held on:

04th May 2021, 31st May 2021, 09th June 2021, 07th July 2021, 05th August 2021, 09th September 2021, 18th September 2021, 30th October 2021, 26th November 2021, 17th December 2021, 17th January 2022, 02nd February 2022 and 04th March 2022

The necessary quorum was present during all the Meetings.



Constitution and Attendance:

| Name | Designation and Category | Meeting(s) Held during Tenure | Meetings Attended |
|----------------------------|---------------------------------------|-------------------------------|-------------------|
| Mr. Ram Gopal Agarwal | Chairman-Executive Non Independent | 13 | 13 |
| Mr. Mahendra Kumar Dhanuka | Member- Executive Non Independent | 13 | 13 |
| Mr. Arun Kumar Dhanuka | Member- Executive Non Independent | 13 | 13 |
| Mr. Rahul Dhanuka | Member- Executive Non Independent | 13 | 13 |
| *Mr. Mridul Dhanuka | Member- Non Executive Non Independent | 13 | 12 |
| #MR Harsh Dhanuka | Member- Executive Non Independent | 1 | 1 |

*Mr. Mridul Dhanuka ceased to be a Member of the Banking, Finance and Operations Committee of the Board of Directors w.e.f. 2nd February 2022.

#Mr. Harsh Dhanuka, appointed as Member of the Banking, Finance and Operations Committee of the Board of Directors w.e.f. 2nd February 2022

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

Terms of Reference:

- (1) Approval for opening/closing/operating bank accounts, including modification of authorities for operating them;
- (2) Approval of all borrowings, including those from banks/financial/private institutions etc. including availing ad-hoc funds for the working capital purpose, accepting sanction of loans and giving security for the same;
- (3) Approval for investing surplus funds of the Company /providing guarantee/giving loan in whatsoever manner;
- (4) Approval for applying for licenses, registrations, etc. to all Central / State / Local Government / Semi-Government / Private Departments, to deal with and represent the Company before various Regulatory and other Authorities, to initiate and defend any legal proceedings, by/against the Company before any court including High Court and Supreme Court, to authorize the person to execute Power of Attorney on behalf of Company;
- (5) Approval for acceptance of security deposits in the routine course of business of the Company;
- (6) Approval for availing Bank guarantees;
- (7) To authorize any person to execute and sign any type of agreement, Memorandum of Understanding, Documents, Affidavits, Power of Attorney and/or any other document for and/or on behalf of the Company;
- (8) To authorize to file first information report(FIR), suit, complaint, petition, application, written statement etc with any quasi-judicial authorities, judicial authorities, any government, semi-government or any other department or authorities for or on behalf of the Company.
- (9) To purchase or take on lease any kind of property/land/asset for the company.
- (10) To sell, lease or dispose of any property/building/asset of the Company.
- (11) To give authorization pertaining to incorporation of any of subsidiary and/or to enter into joint venture / strategic partnership.
- (12) Any other activity relating to aforesaid matters subject to all applicable laws including power to delegate such of its functions, from time to time, as may be considered necessary.
- (13) The Committee may also exercise any other power which is not mentioned above and is not specifically prohibited under any laws, rules and regulations.

➤ Corporate Social Responsibility Committee:

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

During the Financial Year 2021-22, CSR Committee Meeting was held on 29th July, 2021. All the Members were present except Mr. Bajrang Lal Bajaj.



Constitution and Attendance:

| Name | Designation and Category | Meeting(s) Held during Tenure | Meetings Attended |
|-----------------------------|-------------------------------------|-------------------------------|-------------------|
| Mr. Ram Gopal Agarwal | Chairman- Executive Non Independent | 1 | 1 |
| Mr. Arun Kumar Dhanuka | Member- Executive Non Independent | 1 | 1 |
| Mr. Bajrang Lal Bajaj | Member- Non Executive Independent | 1 | 0 |
| #Mr. Mahendra Kumar Dhanuka | Member- Executive Non Independent | NA | NA |
| #Mr. Ashish Saraf | Member- Executive Non Independent | NA | NA |

Mr. Mahendra Kumar Dhanuka and Mr. Ashish Saraf have been appointed as member of the CSR Committee with effect from 23rd May, 2022

One CSR Meeting was disposed of due to lack of quorum which was scheduled to be held on 21st May 2021. Company Secretary of the Company, being Secretary to the Committee attended the Meeting.

Terms of Reference:

- Formulate and recommend to the Board a Corporate Social Responsibility ("CSR") Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on CSR activities; and
- Monitor the CSR Policy of the Company from time to time.
- Prepare Annual Action Plan on CSR Activities.
- To review and approve Annual Report on CSR as prescribed under the Companies Act 2013 and rules made thereunder.

The Company is involved in various CSR activities.

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

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

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

Further, the Ministry of Corporate Affairs has notified the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 and also notified the CSR provisions brought by the Companies (Amendment) Act, 2020 vide its notification dated 22nd January 2021. Therefore in accordance with the rules, the Company has revised its CSR Policy on 29th July 2021 which is made available at our website www.dhanuka.com

➤ Risk Management Committee:

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

This Committee comprises Mr. Rahul Dhanuka as its Chairman, Mr. Sanjay Saxena, Mr. Vinod Kumar Bansal, Mr. Harsh Dhanuka as Members,

During the Financial Year 2021-22, Two Committee Meeting was held on 29th July, 2021 and 17th January 2022. All the members were present in the Meeting.



Constitution and Attendance:

| Name | Designation and Category | Meeting(s) held during Tenure | Meetings Attended |
|---|-------------------------------------|-------------------------------|-------------------|
| Mr. Rahul Dhanuka | Chairman- Executive Non Independent | 2 | 2 |
| Mr. Sanjay Saxena (Appointed as Member w.e.f 21 st May 2021) | Member- Non-Executive Independent | 2 | 2 |
| Mr. Harsh Dhanuka | Member- Executive Non Independent | 2 | 2 |
| Mr Vinod Kumar Bansal | Chief Financial Officer | 2 | 2 |

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

Terms of Reference:

- Formulate, monitor and review risk management policy and plan, inter-alia, covering identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks etc.
- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Prepare Business Continuity Plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- Approve addition/ deletion of banks and other financial intermediaries and recognized exchanges from time to time for carrying out Treasury Transactions and delegate the said power to such person as may be deemed fit.
- Carry out any other function as is referred by the Board from time to time or required under the relevant provisions of applicable laws, regulations and various circulars issued by the regulatory authorities, from time to time.”

III. GENERAL BODY MEETINGS/POSTAL BALLOT:

| |
|--|
| <p>The details of date, venue and time of the last three Annual General Meetings, Extra-ordinary General Meeting, Court Convened Meetings held and Special Resolutions passed are as under:</p> <p>36th ANNUAL GENERAL MEETING (2020-21) – 29th July 2021 Venue: Held Through Video Conferencing Special Resolutions Passed-</p> <ol style="list-style-type: none"> Approval of Commission payable to Mr. Mridul Dhanuka (DIN:00199441) Non-Executive Director of the Company for the Financial Year 2021-22. |
| <p>35th ANNUAL GENERAL MEETING (2019-20) – 15th September 2020 Venue: Held Through Video Conferencing Special Resolutions Passed-</p> <ol style="list-style-type: none"> Loan to M/s. Dhanuka Laboratories Limited (DLL). Change in designation of Mr. Mridul Dhanuka (DIN:00199441) as Non-executive Director of the Company and to approve the change in his remuneration. Re-appointment of Mr. Sachin Kumar Bhartiya as an Independent Director for the Second Term of 5 years. Buyback of Equity Shares of the Company through Tender Offer route |
| <p>34th ANNUAL GENERAL MEETING (2018-19) – 12th August, 2019 at 10:30 AM Venue: “D Imperia Hotel”, 417, M.G. Road, Ghitorni, New Delhi- 110 030 Special Resolutions Passed-</p> <ol style="list-style-type: none"> Re-appointment of Mr. Mahendra Kumar Dhanuka (DIN: 00628039) as Managing Director of the Company; Appointment of Mr. Harsh Dhanuka (DIN: 00199516) as Whole time Director of the Company; Revision in terms and conditions of Agreement with M/s. Dhanuka Marketing Company; Borrowing Limits of the Company; Creation of Security(ies) for Borrowings; |

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



Details of Resolution passed through Postal Ballot

During the Financial Year ended March 31, 2022, 2 (Two) Ordinary Resolutions were passed for:

R1- Re-appointment of Mr. Rahul Dhanuka as Whole Time Director of the Company, for further period of five years from 1st May, 2022 ;

R2- Re-appointment of Mr. Ashish Saraf as Whole Time Director of the Company, for further period of five years from 24th March, 2022;

Through postal ballot dated 2nd Feb, 2022 which was completed on 16th March, 2022

I. MEANS OF COMMUNICATION:

- a) **Results:** Unaudited Standalone, as well as Consolidated Quarterly as well as Annual Standalone & Consolidated Audited Financial Results of the Company, are approved and taken on record by the Board of Directors of the Company within 45 days (for I, II, III quarter)/ 60 days (for IV quarter) from the end of the quarter. The Approved Results are communicated to Stock Exchanges where Company is listed and also published within 48 hours in Financial Express/Business Standard i.e. English Newspaper and Jansatta/Business Standard i.e. Hindi leading Newspaper.
- b) **Website:** The Company's website (www.dhanuka.com) provides comprehensive information on Company's profile, its business lines, Management, Corporate Governance, news releases etc. An exclusive section is dedicated to Investors, where all information related to quarterly/yearly results, Annual Report, Quarterly filing, Share /Dividend Transfer Details to IEPF etc. are uploaded from time to time. It provides all the information as prescribed under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Public Announcements made by the Company from time to time are also displayed on the Company's website. Corporate Presentations made to the Institutional Investors and analysts after the declaration of the quarterly, half-yearly and Annual Audited Financial Results are also displayed on the Company's website (www.dhanuka.com).
- c) **Annual Report:** Annual Report containing, inter alia Consolidated & Standalone Financial Statements, Cash Flow Statement, Auditor's Report, Directors' Report, Notice of Annual General Meeting and other important information is circulated to Members and others entitled thereto. In accordance with the Green initiatives of the MCA, all important communication to shareholders, including the Annual Reports are sent via e-mail to those Shareholders, whose e-mail id is registered with the Depository Participants. As per MCA General Circular No. 20/2020 issued on 5th May, 2020 as amended from time to time, in view of the prevailing situation, owing to the difficulties involved in dispatching physical copies of the financial statements (including the Board's report, Auditor's Report or other documents required to be attached therewith), such statements shall be sent only by email to the members and all other person so entitled. Therefore, the Company will not dispatch the physical copy of the Annual Report. The Annual Report of the Company is also available on the Company's website in a user-friendly and downloadable form.
- d) **Management Discussion and Analysis (MDA) Report:** The Report on MDA forms part of the Annual Report.
- e) **Intimation to the Stock Exchanges:** All Price Sensitive information and material events are disclosed to the Stock Exchange(s), in accordance with its Materiality Policy on disclosure of Material Events.

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

II. GENERAL SHAREHOLDERS' INFORMATION:

a) 37th Annual General Meeting for the Financial Year ended 31st March, 2022

Day & Date: Tuesday, 2nd August, 2022

Time: 11:00A.M

Via Video Conferencing

b) **Date of Book Closure:** Saturday, 23rd July, 2022 to Tuesday, 2nd August, 2022(both days inclusive).

c) **Financial Year:** 1stApril, 2021 to 31stMarch, 2022



d) Dividend

The Board of Directors of the Company in its Meeting held on 02nd February 2022 has declared and paid an interim dividend @ 400% i.e. Rs. 8 per Equity Share having Face Value of Rs. 2/- per Equity Share amounting to Rs. 37.26 Crores to the Members of the Company who held shares of the Company as on 12th February 2022 (Record Date)

Further, the Board in its Meeting held on 23rd May, 2022, has proposed a Final Dividend @300% i.e. Rs. 6/- per Equity Share having Face Value of Rs. 2/- for the FY 2021-22. The said Dividend is subject to Shareholders' approval in their 37th Annual General Meeting scheduled on 2nd August, 2022.

e) Transfer to Investor Education and Protection Fund (IEPF):

Dividend Transferred:

During the Financial Year under review, the Company has transferred Unclaimed Final Dividend for FY 2013-14 amounting to Rs. 5,57,872/- (Rupees Five Lakh Fifty Seven Thousands Eight Hundred Seventy Two only) to the Investors Education and Protection Fund (IEPF) of the Central Government of India.

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

Pursuant to Section 124 of the Companies Act, 2013, Final Dividend for the Financial Year 2014-15, First Interim Dividend and Second Interim Dividend for the Financial Year 2015-16, which remained unpaid/ unclaimed for a period of Seven Years from the date of such transfer shall be transferred by the Company to the Investors Education and Protection Fund (IEPF) of the Central Government. The Dividend for the following years (see table below), which remains unclaimed for Seven years from the date of such transfer in the Unpaid Dividend Account, will be transferred to the IEPF in accordance with the schedule given below. Shareholders who have not en-cashed their Dividend warrants relating to the Dividends specified below are requested to immediately send their request for the issue of duplicate warrants/payment of Unpaid Dividends. The details of the Dividends specified below are available on the website of the Company www.dhanuka.com. Once the Unclaimed Dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company. However, shareholders may claim their unclaimed amount as per the procedures/ guidelines issued by the Ministry of Corporate Affairs (MCA). For details, investors can visit the website of IEPF Authority viz. <http://www.iepf.gov.in/>.

Due Date for Transfer of Unpaid/ Unclaimed Dividend to IEPF

| S. No. | Financial Year | Type of Dividend | Date of declaration | Percentage | Unpaid Dividend Balance as on 31.03.2021 (Amount in Rs.) | Tentative Date for Transfer |
|--------|----------------|------------------|---------------------|------------|--|-----------------------------|
| 1 | 2014-15 | Final | 29.12.2015 | 225% | 1379205.00 | 04.02.2023 |
| 2 | 2015-16 | Interim | 09.02.2016 | 125% | 821340.00 | 17.03.2023 |
| 3 | 2015-16 | Interim | 17.03.2016 | 200% | 1163044.00 | 22.04.2023 |
| 4 | 2016-17 | Final | 10.08.2017 | 30% | 224601.80 | 15.09.2024 |
| 5 | 2017-18 | Interim | 14.02.2018 | 100% | 538618.00 | 22.03.2025 |
| 6 | 2017-18 | Final | 10.08.2018 | 175% | 990591.00 | 17.09.2025 |
| 7 | 2018-19 | Final | 12.08.2019 | 30% | 204171.20 | 19.09.2026 |
| 8 | 2019-20 | Interim | 13.02.2020 | 600% | 2673996.00 | 21.03.2027 |
| 9 | 2020-21 | Final | 29.07.2021 | 100% | 370759.40 | 04.09.2028 |
| 10 | 2021-22 | Interim | 02.02.2022 | 400% | 1143050.00 | 11.03.2029 |
| | Total | | | | 9509376.40 | |

During the current Financial year, unpaid Final Dividend for the Financial Year 2014-15, First Interim Dividend and Second Interim dividend for the Financial Year 2015-16 shall be transferred to Investors Education and Protection Fund (IEPF).



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

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

Details of Shares Transferred to IEPF to date are as follows:

| S. No. | No. of Shares Transferred | Date of Transfer |
|--------|---|------------------|
| 1 | 82,500 Shares for the year 2008-2009 | 05.12.2017 |
| 2 | 26,800 Shares for the year 2009-2010 | 28.09.2018 |
| 3 | 13,882 Shares for the year 2010-2011 | 09.10.2018 |
| 4 | 7,750 Shares for the year 2011-12 | 13.09.2019 |
| 5 | 20 Shares for the year 2012-13 | 11.03.2020 |
| 6 | 4500 Equity Shares for the year 2012-13 | 05.11.2020 |
| 7 | 500 Equity Shares for the year 2013-14 | 22.10.2021 |

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

In Financial Year 2022-23 the following unclaimed Shares are due to be transferred to IEPF Account:

Nil

h) Securities Listed on Stock Exchange(s):

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001.

Scrip Code: 507717

National Stock Exchange of India Limited

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

Scrip Code: DHANUKA

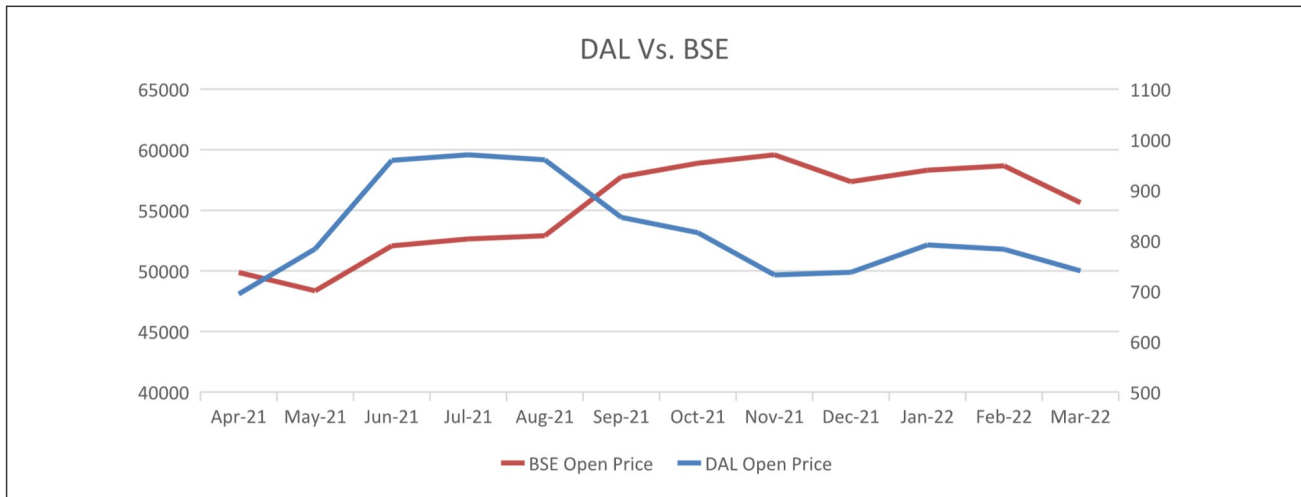
Annual listing fees for the Financial Year 2022-23 have been paid to the above Stock Exchange(s).

i) Market Price Data:

(1) BSE:

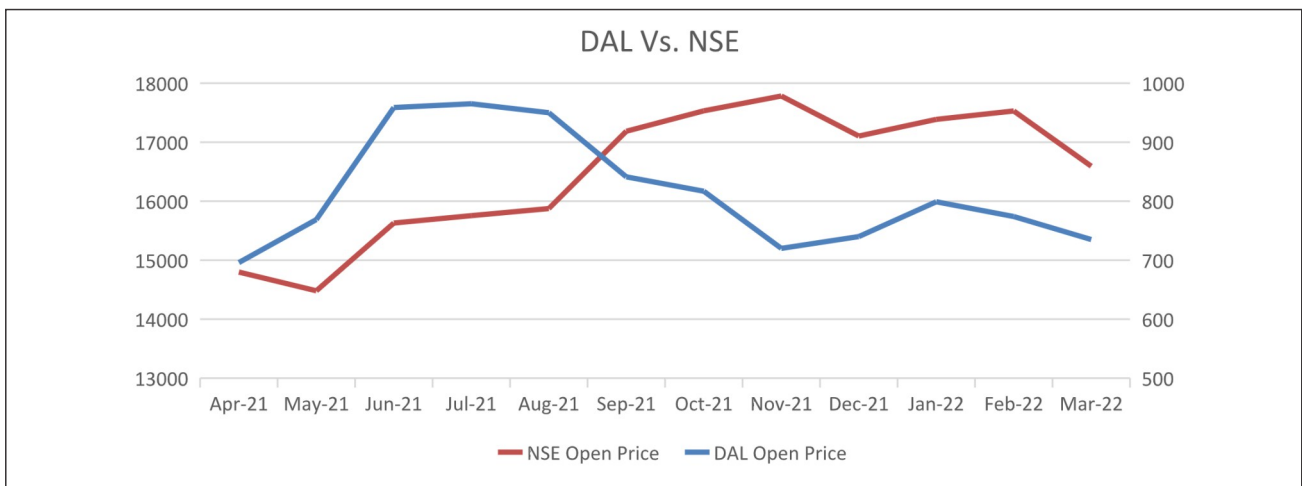
| *Month | DAL Open Price | BSE Open Price | % Change in BSE Price | % Change in DAL Price |
|--------|----------------|----------------|-----------------------|-----------------------|
| Apr-21 | 694.15 | 49868.53 | -3.03% | 12.89% |
| May-21 | 783.6 | 48356.01 | 7.68% | 22.38% |
| Jun-21 | 959 | 52067.51 | 1.10% | 1.14% |
| Jul-21 | 969.95 | 52638.5 | 0.50% | -1.03% |
| Aug-21 | 960 | 52901.28 | 9.19% | -11.88% |
| Sep-21 | 846 | 57763.53 | 1.95% | -3.58% |
| Oct-21 | 815.7 | 58889.77 | 1.17% | -10.26% |
| Nov-21 | 732 | 59577.48 | -3.71% | 0.71% |
| Dec-21 | 737.2 | 57365.85 | 1.65% | 7.35% |
| Jan-22 | 791.4 | 58310.09 | 0.62% | -1.07% |
| Feb-22 | 782.9 | 58672.86 | -5.19% | -5.47% |
| Mar-22 | 740.05 | 55629.3 | 5.22% | -2.66% |

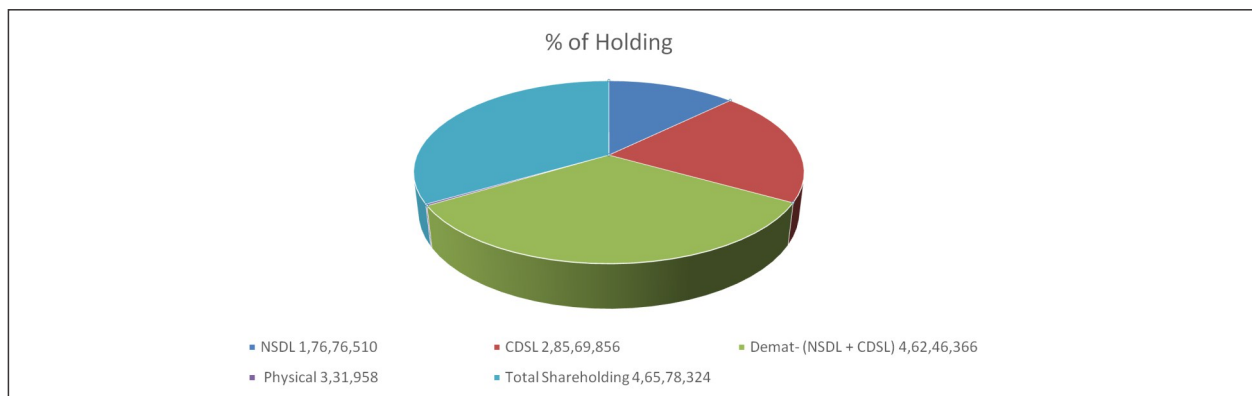
(*Open Price of first trading day of each Month has been taken)



(2) NSE:

| Date | DAL Open Price | % Change in DAL Price | NSE Open Price | % Change in NSE Price |
|--------|----------------|-----------------------|----------------|-----------------------|
| Apr-21 | 695.95 | 10.47% | 14798.4 | -2.14% |
| May-21 | 768.85 | 24.71% | 14481.05 | 7.93% |
| Jun-21 | 958.8 | 0.66% | 15629.65 | 0.80% |
| Jul-21 | 965.15 | -1.57% | 15755.05 | 0.76% |
| Aug-21 | 950 | -11.44% | 15874.9 | 8.26% |
| Sep-21 | 841.3 | -2.90% | 17185.6 | 2.02% |
| Oct-21 | 816.9 | -11.86% | 17531.9 | 1.43% |
| Nov-21 | 720 | 2.78% | 17783.15 | -3.82% |
| Dec-21 | 740 | 7.97% | 17104.4 | 1.65% |
| Jan-22 | 799 | -3.13% | 17387.15 | 0.82% |
| Feb-22 | 774 | -5.04% | 17529.45 | -5.34% |
| Mar-22 | 735 | -2.05% | 16593.1 | 5.09% |





The Company's total numbers of Equity Shares are 4,65,78,324, having a Face Value of Rs.2/- each.

SHAREHOLDING PATTERN AS ON 31st MARCH, 2022:

| Class of Investors | No. of Shares held | % of Paid-Up Capital |
|-----------------------------|--------------------|----------------------|
| Promoters & Promoters Group | 3,26,04,716 | 70.00 |
| Mutual Funds/UTI | 64,22,742 | 13.79 |
| Indian Public | 33,92,749 | 7.29 |
| Foreign Portfolio Investors | 17,07,659 | 3.67 |
| Insurance Companies | 14,87,453 | 3.19 |
| Clearing Members | 33,073 | 0.07 |
| Alternative Investment Fund | 2,43,392 | 0.52 |
| Corporate Bodies | 3,72,722 | 0.80 |
| Non-Resident Indians | 1,85,356 | 0.40 |
| Others | 1,28,462 | 0.27 |
| TOTAL | 4,65,78,324 | 100.00 |

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2022:

| S. No | Qty Slab | No. of Shareholders | Holder % | Share Qty | Share Qty % |
|-------|-----------------|---------------------|------------|-----------------|-------------|
| 1 | Upto 100 | 34261 | 87.552 | 735665 | 1.579 |
| 2 | 101 - 500 | 3816 | 9.752 | 943022 | 2.025 |
| 3 | 501 - 1000 | 558 | 1.426 | 460233 | 0.988 |
| 4 | 1001 - 2000 | 250 | 0.639 | 374831 | 0.805 |
| 5 | 2001 - 5000 | 138 | 0.353 | 425758 | 0.914 |
| 6 | 5001 - 10000 | 43 | 0.110 | 293916 | 0.631 |
| 7 | 10001 - 20000 | 21 | 0.054 | 286135 | 0.614 |
| 8 | 20001 - 30000 | 14 | 0.036 | 378264 | 0.812 |
| 9 | 30001 - 40000 | 2 | 0.005 | 67269 | 0.144 |
| 10 | 40001 - 50000 | 3 | 0.008 | 130235 | 0.280 |
| 11 | 50001 - 100000 | 4 | 0.010 | 338942 | 0.728 |
| 12 | 100001 - 500000 | 14 | 0.036 | 2839360 | 6.096 |
| 13 | Above 500000 | 8 | 0.020 | 39304694 | 84.384 |
| | Total | 39132 | 100 | 46578324 | 100 |



j) Financial Calendar

| | |
|--|--|
| Financial reporting for the first quarter ending on 30 th June, 2022; | Within 45 days of the end of the quarter |
| Financial reporting for the second quarter ending on 30 th September, 2022; | Within 45 days of the end of the quarter |
| Financial reporting for the third quarter ending on 31 st December, 2022; | Within 45 days of the end of the quarter |
| Financial reporting for the Financial Year ending on 31 st March, 2023; | Within 60 days of the end of the Financial Year* |
| Annual General Meeting for the Financial Year ending on 31 st March, 2023. | Within 6 months of the end of the Financial Year |

k) Share Transfer System:

M/s. Abhipra Capital Limited is the Registrar and Transfer Agent (RTA) of the Company and carries out the process of share transfers and transmissions. Stakeholders' Relationship Committee takes note of the transfers and transmissions executed by RTA. The RTA also receives shares for dematerialization from the Shareholders. RTA dematerializes such Shares within the stipulated time, and a monthly Demat Statement is sent to the Company.

l) Investor's Correspondence:

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

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

m) Registrar and Transfer Agents:

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

n) Plant(s) Locations:

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

o) Dematerialization of Shares and Liquidity:

In compliance with the SEBI Circular dated 30th September, 2011, 100% of the Company's Promoters and Promoter - Group Shareholding is in demat mode. As on 31st March, 2022, 4,62,46,366 Equity Shares of the Company were held in dematerialized form. The Company's Equity Shares are actively traded on the BSE Ltd. and National Stock Exchange of India Limited in demat form. All the requests for nomination, change of address, change of Bank mandate/ Bank particulars and dematerialization of Shares etc. are to be made only to the Depository Participant with whom the Shareholders have opened their Demat Account.

RECONCILIATION OF SHARE CAPITAL AS ON 31.03.2022

| Segments | Holding | % of Holding |
|-----------------------------|--------------------|---------------|
| NSDL | 1,76,76,510 | 37.95% |
| CDSL | 2,85,69,856 | 61.34% |
| Demat- (NSDL + CDSL) | 4,62,46,366 | 99.23% |
| Physical | 3,31,958 | 0.77% |
| Total Shareholding | 4,65,78,324 | 100% |



p) Foreign Exchange Risk

1. The Company's derivative instruments comprise forward contracts which are not intended for trading or speculation purposes and are used only to hedge Company's import liabilities.
2. During the year, the Company has managed foreign exchange risk and hedged to the extent considered necessary. Net open exposures are reviewed regularly and covered through forward contracts. The details of foreign currency exposure are disclosed at Note no. 42(c)(i) of the Standalone Financial Statements.

q) Credit Ratings

ICRA has upgraded its credit rating to [ICRA]AA (pronounced ICRA double A) from [ICRA]AA- rating for fund-based limits and accorded [ICRA]A1+ (pronounced ICRA A one plus) rating for non-fund-based limits of the Company.

VI. DISCLOSURES:

a) Related Party Transactions:

Pursuant to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, necessary approvals for transactions with Related Parties were obtained from the Audit Committee, the Board and the Members, during the Financial Year 2021-22.

The Revised Policy for Related Party Transactions, effective from 02nd February 2022, is available on the Company's website at the following link <https://www.dhanuka.com/corporate-governance>.

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

The disclosures with regard to transactions with Related Parties are given in the Notes to Accounts of the Audited Financial Statements for the Financial Year ended 31st March, 2022. These transactions are not in conflict with the Company's interests. There was no material Related Party Transaction during the year ended 31st March, 2022.

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

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

d) Disclosure of Accounting Treatment:

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

e) Compliance Certificate

The Compliance Certificate as stipulated in Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board along with the Financial Statements for the Financial Year ended 31st March, 2022 and the Board reviewed the same. The said Certificate is annexed to this Report.

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

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

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

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



Ms. Abhilasha Singh (Presiding Officer),
Mr. Sudhir Sharma (Member),
Ms. Puja Gogia (Member)
Ms. Isha Thakur (Member)

Status of Complaints is as follows:

Number of Complaints Filed during Financial Year 2021-22- Nil
Number of Complaints disposed of during Financial Year 2021-22- Nil
Number of Complaints pending at the end of Financial Year 2021-22- Nil

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

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

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

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

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

During Financial Year 2021-22, Rs.21.10 Lacs have been paid to Statutory Auditors M/s S.S. Kothari Mehta & Co.

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

k) Weblink for various Policies

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

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

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

m) Secretarial Audit Report and Secretarial Compliance Report

In terms of Provisions of Section 204 of the Companies Act, 2013 and in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018, Secretarial Audit Report and Secretarial Compliance Report for Financial Year 2021-22 issued by M/s R & D, Company Secretaries are annexed to the Directors' Report.

VII. CORPORATE GOVERNANCE COMPLIANCE:

Compliance with mandatory & non-mandatory requirements

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

A) Audit Qualifications

It has always been the Company's endeavor to present unqualified Audited Financial Statements. There is no Audit Qualification/adverse remark in the Statutory Audit Report, Secretarial Audit Report, and Secretarial Compliance Report of the Company for the Financial Year ended 31st March, 2022.



B) Separate posts of Chairman and Managing Director

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

C) Reporting of Internal Auditor

The Internal Auditor's report direct to the Audit Committee.

D) The Company has two Wholly Owned Subsidiaries. However, no subsidiary is a Material Subsidiary Company.

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

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

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

I, further confirm that the Company has received from its Board Members as well as Senior Management Personnel affirmation in respect of the Financial Year ended 31st March, 2022, as to compliance with the Code of Conduct.

Sd/-
Mahendra Kumar Dhanuka
Managing Director
DIN: 00628039

Date: 23rd May, 2022
Place: Gurugram



CERTIFICATE IN RELATION TO DIN STATUS OF DIRECTOR AS ON 31ST MARCH 2022

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

UDIN: F009529D000359340

To,

The Members,

DHANUKA AGRITECH LIMITED

82, Abhinash Mansion, 1st Floor Joshi Road, Karol Bagh New Delhi,
Delhi-110005

Corporate Office: Global Gateway Towers MG Road,
Near Guru Dronacharya Metro Station Gurgaon 122002

I have examined the relevant registers, records, forms, and disclosures received from the Directors of Dhanuka Agritech Limited having CIN : L24219DL1985PLC020126 and having registered office at 82, Abhinash Mansion, 1st Floor Joshi Road, Karol Bagh, New Delhi, Delhi-110005 and Corporate office at Global Gateway Towers MG Road, Near Guru Dronacharya Metro Station Gurgaon 122002 HR IN (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(I) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have conducted verification & examination of records as facilitated by the Company for the purpose of issuing this certificate.

On the Basis of all relevant document as considered necessary furnished to me by the Company & its officers and after going through Directors Identification (DIN) status of all directors at the portal www.mca.gov.in, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by Ministry of Corporate Affairs, by the Securities and Exchange Board of India.

List of Director as on 31st March 2022

| S. No. | DIN | Name of Director | Designation | Date of Appointment | DIN Status as per MCA Portal under Tab (Enquire DIN Status) |
|--------|----------|------------------------|---------------------|---------------------|---|
| 1 | 00041859 | Priya Brat | Director | 28/10/2002 | Approved |
| 2 | 00041909 | Bajrang Lal Bajaj | Director | 21/05/2019 | Approved |
| 3 | 00150140 | Rahul Dhanuka | Whole time Director | 28/01/2002 | Approved |
| 4 | 00199441 | Mridul Dhanuka | Director | 23/05/2011 | Approved |
| 5 | 00199516 | Harsh Dhanuka | Whole time Director | 21/05/2019 | Approved |
| 6 | 00161853 | Siraj Azmat Chaudhry | Director | 22/07/2020 | Approved |
| 7 | 00627386 | Ram Gopal Agarwal | Whole Time Director | 10/03/1992 | Approved |
| 8 | 00627425 | Arun Kumar Dhanuka | Whole time Director | 23/05/2007 | Approved |
| 9 | 00628039 | Mahendra Kumar Dhanuka | Managing Director | 13/02/1985 | Approved |
| 10 | 01185937 | Vinod Kumar Jain | Director | 24/03/2005 | Approved |
| 11 | 01257965 | Sanjay Saxena | Director | 22/05/2018 | Approved |
| 12 | 02122147 | Sachin Kumar Bhartiya | Director | 09/02/2016 | Approved |
| 13 | 07767324 | Ashish Saraf | Whole time Director | 24/03/2017 | Approved |
| 14 | 08358673 | Namrata Gupta | Director | 21/05/2019 | Approved |

While issuing this Certificate, We have ensured to Comply all norms/direction in relation to Confidentiality Norms, best professional Standards and Practice issued by ICSI time to time.

Ensuring the eligibility of 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.

Dated: 21-05-2022

Place: New Delhi

For Himanshu Sharma & Associate

UDIN:F009529D000359340

Sd/-

CS Himanshu Sharma

COP. No.: 11553

M. No.: 9529



Independent Auditors' Certificate on Corporate Governance

To
The Members of,
Dhanuka Agritech Limited

We have examined the compliance of conditions of Corporate Governance by **DHANUKA AGRITECH LIMITED** ("the Company") for the year ended March 31, 2022, as stipulated in Regulations 17 to 27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

Management's Responsibility

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

Auditor's Responsibilities

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

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

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2022.

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

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

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2022.

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

Restriction on use

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

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

Sd/-
Yogesh K. Gupta
Partner
Membership No. 093214
UDIN : 22093214AJKNUE6001

Place: New Delhi
Dated: May 23, 2022



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

We, Mahendra Kumar Dhanuka, Managing Director and Vinod Kumar Bansal, Chief Financial Officer of Dhanuka Agritech Limited ("the Company"), hereby certify that:

- A. We have reviewed Financial Statements and the Cash Flow Statement of the Company for the Financial Year ended 31st March, 2022 and that to the best of our knowledge and belief:
1. These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year which are fraudulent, illegal or violates of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to Financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
1. Significant changes in internal control over financial reporting during the Financial Year ended 31st March, 2022;
 2. Significant changes in accounting policies during the Financial Year and that the same have been disclosed in the notes to the Financial Results; and
 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Dhanuka Agritech Limited

Sd/-
Mahendra Kumar Dhanuka
Managing Director
DIN: 00628039

Date: 23rd May, 2022

Place: Gurugram

For Dhanuka Agritech Limited

Sd/-
Vinod Kumar Bansal
Chief Financial Officer
M.No :86233



INDEPENDENT AUDITOR'S REPORT

To
The members of
Dhanuka Agritech Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of DHANUKA AGRITECH LIMITED ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2022, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ("ICAI") read 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 audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as whole, and in forming our

opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

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

Information other than the Standalone financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the annual report, but does not include the Consolidated Financial Statements, Standalone financial statements and our auditor's reports 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 during the course of our audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for Standalone Financial Statements

The Company's Board of Directors is 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 financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone 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 scepticism 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 system with reference to the standalone 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.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified

misstatements in the Standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of 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 Indian Accounting Standards (Ind AS) specified under section 133 of the

Act read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended from time to time.

- e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting with reference to standalone 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 Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Standalone financial statements - Refer Note no. 36 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 has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any



- guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 15 & Note 49 to the Standalone Financial Statements
- i. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of

the Act, as applicable.

- ii. The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- iii. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants

Firm Registration No. 000756N

Sd/-

Yogesh K. Gupta

Partner

Membership No.:093214

UDIN: 22093214AJKMJH3075

Place: New Delhi

Date: May 23,2022



Annexure A' to the Independent Auditors' Report

The Annexure as referred in paragraph (1) 'Report on Other Legal and Regulatory Requirements' of our Independent Auditors' Report to the members of **DHANUKA AGRITECH LIMITED** on the standalone financial statements for the year ended 31 March 2022, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment. The Company has also maintained proper records showing full particulars of intangibles assets.
 - (b) The Company has a regular program of physical verification of its Property, Plant and Equipment and right of use assets so to cover all the assets in a phased manner, which in our opinion, is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment and right of use assets. In accordance with this program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the management during the year and no material discrepancies were noticed on such verification as compared to the books of accounts.
 - (c) According to the information and explanation given to us and on the basis of examination of title deeds / sale deeds / transfer deeds / conveyance deeds / possession letters / allotment letters and other relevant records evidencing title/ possession provided, we report that the title deeds of the immovable properties are held in the name of the Company as at the balance sheet date.
- (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended March 31, 2022.
 - (e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The physical verification of the inventory has been conducted at reasonable intervals by the management during the year. As far as we could ascertain and according to information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
 - (b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. As disclosed in Note 16 to the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- iii. (a) According to the information and explanations given to us and based on examination of books of the Company, during the year the Company has provided loans, advances in the nature of loans, guarantee and provided security as follows:
 - (b) During the year the investments made and the terms and

(₹ In lacs)

| Particulars | Guarantees | Security | Loans | Advances in nature of loans |
|--|------------|----------|-------|-----------------------------|
| Aggregate amount granted/ provided during the year | | | | |
| (i) Subsidiaries | - | - | - | - |
| (ii) Joint Ventures | - | - | - | - |
| (iii) Associates | - | - | - | - |
| (iv) Others | - | - | 1,100 | - |
| Balance outstanding as at balance sheet date in respect of above cases* | | | | |
| (i) Subsidiaries | - | - | - | - |
| (ii) Joint Ventures | - | - | - | - |
| (iii) Associates | - | - | - | - |
| (iv) Others | - | - | - | - |

* Net of provisions.



conditions of the grant of all loans to companies are prima facie not prejudicial to the Company's interest.

- (c) In respect of loans granted, the schedule of repayment of principal and payment of interest has been stipulated and the repayment of principal amounts and receipts of interest has been regular as per stipulation
- (d) There are no amounts which are overdue for more than ninety days in respect of above-mentioned loans granted during the year..
- (e) There were no loans granted which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment to during the year.
- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has complied with the provisions of Section 185 and Section 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or deemed deposits from the public within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions of clause 3 (v) of the Order are not

applicable to the Company.

- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues with the appropriate authorities, to the extent applicable.
- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company there are no undisputed aforesaid statutory dues payable as at 31 March 2022 for a period of more than six months from the date they became payable.
- (c) According to the records and information and explanations given to us, there are no dues in respect of statutory dues referred to in vii (a) above which have not been deposited on account of any dispute except as given below:

(₹ In lacs)

| Name of Statute | Nature of Dues | Period (F.Y.) to which the amount relates | Amount Demanded (Excluding interest) (₹ in Lakhs) | Amount paid (₹ in Lakhs) | Forum where dispute is pending |
|-----------------------------|----------------|---|---|--------------------------|--|
| The Central Excise Act,1994 | Excise Duty | 1996 | 9.41 | - | Additional/ Deputy Commissioner |
| The Central Excise Act,1994 | Excise Duty | Jan 2014- Sep 2015 | 357.31 | 46.90 | CESTAT, Chandigarh |
| The Central Excise Act,1994 | Excise Duty | April 2012-Sep 2016 | 132.70 | 23.80 | CESTAT, Ahmedabad |
| The Central Excise Act,1994 | Excise Duty | Oct 2015-March 2016 | 103.23 | 10.32 | CESTAT, Chandigarh |
| The Central Excise Act,1994 | Excise Duty | June 2010-Jan 2014 | 105.85 | 10.59 | CESTAT, Chandigarh |
| The Service Tax Act,1994 | Service Tax | Jan 2005 to Aug 2007 | 140.25 | 65.20 | Additional/ Deputy Commissioner, Delhi |

| | | | | | |
|--|----------------------|------------------------|----------|--------|-------------------------------|
| The Service Tax Act, 1994 | Service Tax | Oct 2008 to March 2009 | 36.00 | 1.80 | Joint Commissioner, Gujarat |
| The Central Sales Tax Act, 1944 and State VAT Act | VAT | 2012-13 | 138.15 | 46.00 | Joint Commissioner, Gujarat |
| The Foreign Trade (Development & Regulation) Act, 1992 | Terminal Excise Duty | 2015-16 and 2016-17 | 2,980.00 | - | Gujarat High Court |
| Income Tax Act, 1961 | Income Tax | 2016-17 | 168.64 | 168.64 | ITAT |
| CGST Act, 2017 | GST | 2021-22 | 7.54 | 7.54 | Appellate Deputy Commissioner |
| Income Tax Act, 1961 | Income Tax Penalty | 2016-17 | 322.22 | - | CIT (A) Delhi |

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in the payment of interest to any lender during the year. The company has not raised any term loans, hence, repayment of loans or borrowings is not applicable.
- (b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lenders.
- (c) According to the information and explanations given to us and on examination of the books of the company, the company has not taken any term loans during the year and there is no outstanding term loans at the beginning of the year and hence, reporting under clause 3 (ix)(c) of the order is not applicable.
- (d) On overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been utilised during the year for long term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised loans during the year and hence, the requirement to report on clause (ix)(f) of the order is not applicable to the Company.
- x. (a) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the requirement to report on clause (x)(a) of the order is not applicable to the company.
- (b) According to the information and explanations given 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. Hence, the requirement to report on clause (x)(b) of the order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company or on the Company being noticed or reported during the year, nor have we been informed of such case by the management.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, and details of such



transactions have been disclosed in the Standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under section 133 of the Companies Act, 2013.

- xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued during the year and till the date of this report, for the period under audit have been considered by us, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with its directors. Accordingly, reporting under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provision of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable on the Company. Accordingly, the requirement to report under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.
- (b) There is no Core Investment Company as a part of the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016), hence, the requirement to report on clause 3 (xvi)(d) of the Order is not applicable to the company.
- xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses either in the current financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on Clause 3(xviii) is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in Note 46 to the financial statements, ageing and expected dates of realisation of financial assets and payment of

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

- xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund specified in Schedule VII to the Companies Act, in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) According to the information and explanation provided to us, the Company has not undertaken any ongoing project during the year. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants
Firm Registration No. 000756N

Sd/-

Yogesh K. Gupta

Partner

Membership No.:093214

UDIN: 22093214AJKMJH3075

Place: New Delhi

Date: May 23,2022



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

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

We have audited the internal financial controls over financial reporting of **DHANUKA AGRITECH LIMITED** (“the Company”) as of 31 March 2022 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance

about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements



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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria

established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants
Firm Registration No. 000756N

Sd/-

Yogesh K. Gupta

Partner

Membership No.:093214

UDIN: 22093214AJKMJH3075

Place: New Delhi

Date: May 23,2022



Standalone Balance Sheet as at March 31, 2022

(₹ In lacs)

| | Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|-----------|---|----------|-------------------------|-------------------------|
| I | Assets | | | |
| 1 | Non-current assets | | | |
| a | Property, Plant and Equipment | 4 | 15,712.35 | 16,501.18 |
| b | Capital work in progress | 5 | 4,834.72 | 759.40 |
| c | Other Intangible assets | 6 | 154.63 | 192.92 |
| d | Financial Assets | | | |
| | i) Investments | 7 | 13,983.44 | 9,029.72 |
| | ii) Loans | 8 | 10.72 | 22.96 |
| | iii) Other financial assets | 9 | 439.21 | 388.82 |
| e | Other non-current assets | 13 | 616.64 | 391.56 |
| | Total Non-Current assets | | 35,751.71 | 27,286.56 |
| 2 | Current assets | | | |
| a | Inventories | 10 | 34,718.41 | 29,550.34 |
| b | Financial Assets | | | |
| | i) Investments | 7 | 19,606.32 | 18,768.00 |
| | ii) Trade receivables | 11 | 28,249.16 | 24,266.38 |
| | iii) Cash and cash equivalents | 12 | 147.60 | 61.31 |
| | iv) Bank balances other than (iii) above | 12 | 95.09 | 87.03 |
| | v) Loans | 8 | 72.70 | 3,968.46 |
| | vi) Other financial assets | 9 | 9,047.16 | 5,081.15 |
| c | Other current assets | 13 | 3,530.71 | 4,044.85 |
| | Total Current assets | | 95,467.15 | 85,827.52 |
| | Total Assets | | 1,31,218.86 | 1,13,114.08 |
| II | EQUITY AND LIABILITIES | | | |
| 1 | Equity | | | |
| a | Equity Share Capital | 14 | 931.57 | 931.57 |
| b | Other Equity | 15 | 95,110.42 | 78,699.08 |
| | Total equity | | 96,041.99 | 79,630.65 |
| | LIABILITIES | | | |
| 2 | Non-current liabilities | | | |
| a | Financial Liabilities | | | |
| | i) Lease Liability | | 2,735.36 | 3,629.29 |
| | ii) Other financial liabilities | 18 | 1,425.13 | 1,339.66 |
| b | Provisions | 19 | 23.80 | 100.12 |
| c | Deferred tax liabilities (Net) | 20 | 556.20 | 829.47 |
| | Total non-current liabilities | | 4,740.49 | 5,898.54 |
| 3 | Current liabilities | | | |
| a | Financial Liabilities | | | |
| | i) Borrowings | 16 | 96.24 | 835.84 |
| | ii) Lease Liability | | 349.06 | 377.86 |
| | iii) Trade payables | 17 | | |
| | -Total Outstanding dues of Micro Enterprises and Small Enterprises | | 1,085.79 | 619.39 |
| | -Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | | 16,385.96 | 10,243.47 |
| | iv) Other financial liabilities | 18 | 9,092.00 | 10,083.99 |
| b | Other current liabilities | 21 | 2,298.90 | 4,818.37 |
| c | Provisions | 19 | - | 24.71 |
| d | Current Tax Liabilities (Net) | 22 | 1,128.43 | 581.26 |
| | Total current liabilities | | 30,436.38 | 27,584.89 |
| | Total Equity and Liabilities | | 1,31,218.86 | 1,13,114.08 |
| | Accompanying notes form an integral part of the financial statements | 1 to 50 | | |

As per our report of even date attached

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

Sd/-
YOGESH K GUPTA
Partner
Membership No : 093214
Place : New Delhi
Dated : 23rd May, 2022

For and on behalf of the Board of Directors

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

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

Place : Gurugram
Dated : 23rd May, 2022

Sd/-
RAHUL DHANUKA
Chief Operating Officer
DIN : 00150140

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



Standalone Statement of Profit & Loss for the year ended March 31, 2022

(₹ In lacs)

| | Particulars | Note No. | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|------|---|----------|-----------------------------------|-----------------------------------|
| I | Revenue from Operations | 23 | 1,47,777.52 | 1,38,746.87 |
| II | Other Income | 24 | 3,358.70 | 3,370.27 |
| III | Total Revenue (I+II) | | 1,51,136.22 | 1,42,117.14 |
| IV | EXPENSES | | | |
| | Cost of materials consumed | 25 | 80,384.94 | 75,710.06 |
| | Purchase of Stock in Trade | 26 | 14,614.42 | 14,120.65 |
| | Changes in inventories of finished goods, Stock-in -Trade and work-in-progress | 27 | (1,090.62) | (3,499.59) |
| | Employee Benefit Expenses | 28 | 12,050.28 | 11,826.69 |
| | Finance Costs | 29 | 320.27 | 269.38 |
| | Depreciation and Amortization Expense | 30 | 1,627.75 | 1,518.00 |
| | Other Expenses | 31 | 15,480.91 | 13,678.28 |
| | Total Expenses | | 1,23,387.95 | 1,13,623.47 |
| V | Profit Before Exceptional Items and Tax (III-IV) | | 27,748.27 | 28,493.67 |
| VI | Exceptional items | | - | - |
| VII | Profit before Tax (V-VI) | | 27,748.27 | 28,493.67 |
| VIII | Tax Expenses | 32 | | |
| | Current Tax | | 7,143.32 | 7,142.10 |
| | Tax of earlier year provided / (written back) | | - | - |
| | Deferred Tax | | (273.27) | 295.56 |
| IX | Profit for the year | | 20,878.22 | 21,056.01 |
| X | Other Comprehensive Income | 33 | | |
| A | (i) Items that will not be reclassified to profit or loss | | 190.95 | 129.82 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| B | (i) Items that will be reclassified to profit or loss | | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| XI | Total Comprehensive Income (IX+X) | | 21,069.17 | 21,185.83 |
| XII | Earnings per Equity Share | | | |
| | 1) Basic (in ₹) | 34 | 44.82 | 44.61 |
| | 2) Diluted (in ₹) | 34 | 44.82 | 44.61 |
| | Accompanying notes form an integral part of the financial statements | 1 to 50 | | |

As per our report of even date attached

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

Sd/-
YOGESH K GUPTA
Partner
Membership No : 093214
Place : New Delhi
Dated : 23rd May, 2022

For and on behalf of the Board of Directors

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

Sd/-
RAHUL DHANUKA
Chief Operating Officer
DIN : 00150140

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

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

Place : Gurugram
Dated : 23rd May, 2022



Standalone Statement of Changes in Equity for the year ended March 31, 2022

(₹ In lacs)

| a. EQUITY SHARE CAPITAL | | | | | |
|--|-----------------------------|--|--------------------------------------|---|------------------------------|
| As at March 31, 2022 | | | | | |
| | Balance as at April 1, 2021 | Changes in Equity Share Capital due to prior period errors | Restated balance as at April 1, 2021 | Changes in equity share capital during the year | Balance as at March 31, 2022 |
| | 931.57 | - | 931.57 | - | 931.57 |
| As at March 31, 2021 | | | | | |
| | Balance as at April 1, 2020 | Changes in Equity Share Capital due to prior period errors | Restated balance as at April 1, 2020 | Changes in equity share capital during the year (Refer Note-14) | Balance as at March 31, 2021 |
| | 951.57 | - | 951.57 | (20.00) | 931.57 |
| b. OTHER EQUITY | | | | | |
| Particulars | Reserves & Surplus | | | Total | |
| | Capital Reserve | Capital Redemption Reserve | Retained earnings | | |
| Balance as at April 1, 2020 | 95.47 | 48.82 | 69,673.90 | 69,818.19 | |
| Total comprehensive income for the year ended 31 March, 2021 | | | | | |
| -Profit for the year | - | - | 21,056.01 | 21,056.01 | |
| -Other comprehensive income for the year | - | - | 129.82 | 129.82 | |
| -Changes in accounting policy or prior period errors | - | - | - | - | |
| Total comprehensive income | - | - | 21,185.83 | 21,185.83 | |
| -Amount Utilised for Buy back of equity shares (Refer Note-14) | - | - | (9,980.00) | (9,980.00) | |
| -Amount Transferred to Capital Redemption Reserve on Buy back of equity shares (Refer Note-14) | - | 20.00 | (20.00) | - | |
| -Tax paid on Buy back of Equity Shares (Refer Note-14) | - | - | (2,324.94) | (2,324.94) | |
| Balance as at March 31, 2021 | 95.47 | 68.82 | 78,534.79 | 78,699.08 | |
| Balance as at April 1, 2021 | 95.47 | 68.82 | 78,534.79 | 78,699.08 | |
| Total comprehensive income for the year ended 31 March, 2022 | | | | | |
| -Profit for the year | - | - | 20,878.22 | 20,878.22 | |
| -Other comprehensive income for the year | - | - | 190.95 | 190.95 | |
| -Changes in accounting policy or prior period errors | - | - | - | - | |
| Total comprehensive income | - | - | 21,069.17 | 21,069.17 | |
| -Dividend paid during the year | - | - | (4,657.83) | (4,657.83) | |
| Balance as at March 31, 2022 | 95.47 | 68.82 | 94,946.13 | 95,110.42 | |

As per our report of even date attached

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

Sd/-
YOGESH K GUPTA
Partner
Membership No : 093214
Place : New Delhi
Dated : 23rd May, 2022

For and on behalf of the Board of Directors

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

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

Place : Gurugram
Dated : 23rd May, 2022

Sd/-
RAHUL DHANUKA
Chief Operating Officer
DIN : 00150140

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



Standalone Statement of Cash Flows for the year ended March 31, 2022

(₹ In lacs)

| | PARTICULARS | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|-----------|---|--------------------------------------|--------------------------------------|
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Profit / (Loss) Before Tax | 27,748.27 | 28,493.67 |
| | Adjustments for: | | |
| | Depreciation, amortization and impairment expenses | 1,627.75 | 1,518.00 |
| | Net (Gain)/Loss on Sale of Property, Plant and Equipment | (62.36) | (22.84) |
| | Finance Costs | 320.27 | 269.38 |
| | Interest Income | (1,386.80) | (1,569.53) |
| | Dividend Income from Investments | (25.00) | - |
| | Net (Gain)/Loss on Sale of Investments | (464.12) | (335.87) |
| | Net (Gain)/Loss on Investments measured at fair value through profit or loss | (842.77) | (1,129.71) |
| | Allowance for Bad and Doubtful debts & Advances | 249.78 | 351.50 |
| | Property, Plant and Equipment Written off | 19.48 | - |
| | Liabilities No Longer Required, Written Back | (18.19) | (11.37) |
| | Forex Fluctuation on Translation of Assets & Liabilities | 33.74 | (39.25) |
| | Operating Profit/(loss) before Working Capital changes | 27,200.05 | 27,523.98 |
| | (Increase) / Decrease in Trade Receivables | (4,072.51) | (25.52) |
| | (Increase) / Decrease in Current financial assets - Loans | (4.24) | 23.91 |
| | (Increase) / Decrease in Non Current financial assets - Loans | (1.18) | 3.88 |
| | (Increase) / Decrease in Other Current financial assets | (561.97) | (302.27) |
| | (Increase) / Decrease in Other Non Current financial assets | 43.23 | (53.84) |
| | (Increase) / Decrease in Other Current assets | 496.94 | (51.89) |
| | (Increase) / Decrease in Other Non Current assets | 187.80 | (171.97) |
| | (Increase)/Decrease in Inventories | (9,057.65) | (4,564.64) |
| | Increase / (Decrease) in Trade Payables | 6,590.50 | (417.47) |
| | Increase / (Decrease) in Other Current Financial Liabilities | (1,454.17) | 4,379.81 |
| | Increase / (Decrease) in Other Non Current Financial Liabilities | 85.47 | (2.50) |
| | Increase / (Decrease) in Other Current Provisions | (24.71) | (0.87) |
| | Increase / (Decrease) in Other Non Current Provisions | 114.63 | (338.91) |
| | Increase / (Decrease) in Other Current Liabilities | (2,518.62) | 3,208.31 |
| | Cash generated (used) in /from Operations before tax | 17,023.57 | 29,210.01 |
| | Net Direct Taxes paid (Net of Refunds) | (6,596.15) | (6,103.69) |
| | Net cash flow (used) in/ from Operating Activities | 10,427.42 | 23,106.32 |
| B. | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Acquisition of Property, Plant and Equipment (Including Adjustment on account of Intangible Assets, Capital work in Progress, Capital Creditors and Capital Advances) | (5,982.17) | (1,261.71) |
| | Proceeds from sale of Property, Plant and Equipment | 165.92 | 36.16 |
| | Loan Given to Corporate and Other | (1,100.00) | (1,900.00) |
| | Repayment of Loan given to Corporate and Other | 5,000.00 | 500.00 |
| | Investment in Bank Deposits | 952.85 | (1,152.20) |
| | Purchase and sale of Investments (Net) | (4,581.29) | (10,445.43) |
| | Interest Received | 1,258.55 | 1,561.53 |
| | Dividend Income from Investments | 25.00 | - |
| | Net cash flow (used) in/ from Investing Activities | (4,261.14) | (12,661.65) |
| | Net cash (used) in/ from Operating and Investing Activities | 6,166.28 | 10,444.67 |



Standalone Statement of Cash Flows for the year ended March 31, 2022

(₹ In lacs)

| PARTICULARS | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Short Term Borrowings (Net) | (739.60) | 37.35 |
| Payment of Principal portion of Lease Liabilities | (362.29) | (348.86) |
| Payment of Dividend | (4,657.83) | - |
| Buy Back of Shares | - | (10,000.00) |
| Taxes on Buy Back of Shares | - | (2,324.94) |
| Interest Paid | (320.27) | (269.38) |
| Net cash (used) in/ from Financing Activities | (6,079.99) | (12,905.83) |
| Net cash (used) in/ from Operating, Investing & Financing Activities | 86.29 | (2,461.16) |
| Opening balance of Cash and Cash equivalent | 61.31 | 2,522.47 |
| Closing balance of Cash & Cash equivalent | 147.60 | 61.31 |

Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following (refer note no.12):-

| | | |
|---------------------------------|---------------|--------------|
| i) Cash Balance on Hand | 37.22 | 54.63 |
| ii) Balance with Banks : | | |
| - In Current Accounts | 97.63 | 6.68 |
| - Cheques in hand | 12.75 | - |
| Total | 147.60 | 61.31 |

Change in liability arising from financing activities

| Particulars | Current Borrowings | Interest Paid | Lease Liabilities | Buy Back of Equity Shares | Dividend Paid |
|-------------------------------------|--------------------|---------------|-------------------|---------------------------|---------------|
| Balance as at April 1, 2020 | 798.49 | - | 489.02 | - | - |
| Cash Flows | 37.35 | (67.72) | (550.52) | (12,324.94) | - |
| Lease Liabilities Accruals | - | - | 3,866.99 | - | - |
| Buy Back of Equity Shares Accruals | - | - | - | 12,324.94 | - |
| Finance Cost Accruals | - | 67.72 | 201.66 | - | - |
| Balance as at March 31, 2021 | 835.84 | - | 4,007.15 | - | - |
| Cash Flows | (739.60) | (16.75) | (665.81) | - | (4,657.83) |
| Lease Liabilities Accruals | - | - | (560.44) | - | - |
| Dividend Distribution Accruals | - | - | - | - | 4,657.83 |
| Finance Cost Accruals | - | 16.75 | 303.52 | - | - |
| Balance as at March 31, 2022 | 96.24 | - | 3,084.42 | - | - |

As per our report of even date attached

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

Sd/-
YOGESH K GUPTA
Partner
Membership No : 093214
Place : New Delhi
Dated : 23rd May, 2022

For and on behalf of the Board of Directors

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

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

Sd/-
RAHUL DHANUKA
Chief Operating Officer
DIN : 00150140

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

Place : Gurugram
Dated : 23rd May, 2022



Notes to Standalone Financial Statements for the year ended March 31, 2022

1. CORPORATE INFORMATION

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

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

The Registered office of the company situated at 82, Abhinash Mansion, 1st Floor, Joshi Road, Karol Bagh, New Delhi-110005 and the corporate office is situated at Global Gateway Towers, MG Road, Near Guru Dronacharya Metro Station, Gurugram-122002.

2. BASIS OF PREPARATION

a. Statement of compliance

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

These financial statements were authorized for issue by the Board of Directors on May 23, 2022.

b. Basis of measurement

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

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

c. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and

presentation currency. All amounts have been rounded to the nearest lacs, unless otherwise indicated.

d. Current or Non-current classification

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

e. Critical accounting judgements and key source of estimation uncertainty

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

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

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

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognized in the financial statements are:

- Measurement of defined benefit obligations;
- Recognition of deferred tax assets & minimum alternative tax credit entitlement;
- Useful life and residual value of Property, plant and equipment and intangible assets;
- Impairment test of financial and non-financial assets;



Notes to Standalone Financial Statements for the year ended March 31, 2022

- Measurement of fair value of financial instrument; and
- Recognition and measurement of provisions and contingencies.
- Recognition and measurement of provision for discounts and rebates.

3. SIGNIFICANT ACCOUNTING POLICIES

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

a. Property, plant and equipment

I. Recognition and measurement

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

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

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

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

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the

carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the Statement of Profit & Loss as incurred.

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

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

II. Depreciation

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

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

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

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

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



Notes to Standalone Financial Statements for the year ended March 31, 2022

b. Intangible assets

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

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

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

The estimated useful lives are as follows:

| | |
|-------------------|----------|
| Computer Software | 10 years |
|-------------------|----------|

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

c. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that

reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

In respect of assets for which impairment loss has been recognized in prior periods, the company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. After impairment, depreciation or amortization is provided on the revised carrying amount of the assets over its remaining useful life.

d. Financial instruments

I. Initial recognition

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

II. Subsequent measurement

1) Financial assets carried at amortized cost

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

2) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial



Notes to Standalone Financial Statements for the year ended March 31, 2022

assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss.

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

3) Financial assets at fair value through profit and loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

4) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts is approximate to the fair value due to the short maturity of these instruments.

5) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the separate financial statements.

III. Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. Except trade receivables, expected credit losses are measured at an amount equal to the twelve month expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

In case of trade receivables, the Company follows the simplified approach which requires expected lifetime losses to be recognized from the initial recognition of the

trade receivables. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

IV. Derecognition

1) Financial Assets

Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

2) Financial Liabilities

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

V. Reclassification of Financial Assets and Financial liabilities

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the company reclassifies financial assets, it applies prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

VI. Derivative financial instruments

The company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive



Notes to Standalone Financial Statements for the year ended March 31, 2022

and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognized immediately in the statement of profit and loss.

VII. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

e. Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/ or disclosure purposes are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

f. Inventories

Inventories (including Stock-in-transit) of Finished Goods, Stock in Trade, Work in progress, Raw materials, packing materials and Stores & Spares are stated at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of Raw Materials, Packing Materials, Stores and Spares, Stock in Trade and other products are determined on First in first out (FIFO) basis and are net of GST.

Cost of Work in progress and Finished Goods is determined on First in first out (FIFO) basis considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and wherever necessary, the same are written off or provision is made for such inventories. Finished goods and work in progress are written down if anticipated net realizable value declines below the carrying amount of the inventories and such write down to inventories are recognized in statement of profit & loss. When reason for such write down ceases to exist, then write down is reversed through statement of profit and loss account.

g. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement,



Notes to Standalone Financial Statements for the year ended March 31, 2022

unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

h. Revenue Recognition

I. Sale of goods

Revenue is generated primarily from sale of agrochemicals.

Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer which is usually on delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3(d) Financial instruments - initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or

services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

II. Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

III. Dividends

Dividend income is recognized when the Company's right to receive dividend is established, and is included in other income in the statement of profit and loss.

IV. Revenue from electricity generation

Revenue from electricity generation is recognized on the basis of electricity units generated and invoice raised on monthly basis.

V. Insurance claims

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

VI. Government Grants

Government grants and subsidies are recognised where there is reasonable assurance that the grant/subsidies will be received and all attached conditions will be complied with. The Grants are presented under the head other operating income.

i. Employee Benefits

I. Short Term Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

II. Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund, National Pension scheme and Employees State Insurance are defined contribution



Notes to Standalone Financial Statements for the year ended March 31, 2022

schemes. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognized as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to reduction in future payments or a cash refund.

III. Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The company contributes to the gratuity fund, which are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined

benefit plans are recognized in statement of profit & loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit & loss. The company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

IV. Other long term employee benefits

Other long term Employee benefits includes earned leaves and sick leaves. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognized in statement of profit & loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

j. Foreign currency transactions

The financial statements are presented in Indian rupee, which is the company's functional and presentation currency, unless stated otherwise. A company's functional currency is that of the primary economic environment in which the company operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the statement of profit and loss.

k. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.



Notes to Standalone Financial Statements for the year ended March 31, 2022

I. Income Tax

Income tax expense comprises current and deferred tax. It is recognized in statement of profit & loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income

I. Current Tax

Current tax comprises the expected tax payable on the taxable income for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

II. Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax assets/liabilities are generally recognized for all taxable temporary differences, the carry forward balance of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward balance of unused tax credits and unused tax losses can be utilized.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end

of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities;
- and
- ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

m. Segment Reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the company's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

The Chairman, Managing Director, COO and CFO have been identified as CODM by the Company. Refer Note 38 for segment information.

n. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

o. Statement of cash flows

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Ind AS on Statement of Cash Flows (Ind AS - 7). The cash flows from operating, financing and investing activity of the company are segregated.

p. Lease

The Company's lease asset classes primarily consist of leases for Building and Vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and



Notes to Standalone Financial Statements for the year ended March 31, 2022

(iii) the Company has the right to direct the use of the asset.

Company as a lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately

presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor

I. Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

II. Finance Lease

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

q. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r. Dividend to Equity Shareholders

Dividend to equity shareholders is recognized as a liability and deducted from shareholders' Equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

s. Research and Development Expenses

Research and Development Expenses of revenue nature are charged to the Statement of Profit and Loss.

Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

4. PROPERTY, PLANT AND EQUIPMENT

| Particulars | Land-Freehold | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipments | Power Gen. Plant | Right-of-use Asset | Total |
|-------------------------------------|-----------------|-----------------|-------------------|----------------------|---------------|-------------------|------------------|--------------------|------------------|
| Gross Carrying Amount | | | | | | | | | |
| As at April 1, 2020 | 3,379.72 | 6,879.43 | 3,187.42 | 174.30 | 379.52 | 583.77 | 950.74 | 1,155.20 | 16,690.10 |
| Additions | 7.20 | 2,315.73 | 117.68 | 4.49 | 6.93 | 116.47 | - | 3,910.11 | 6,478.61 |
| Disposals/Adjustments | - | (3.80) | (12.17) | (0.47) | (11.18) | (12.12) | - | (477.15) | (516.89) |
| Balance as at March 31, 2021 | 3,386.92 | 9,191.36 | 3,292.93 | 178.32 | 375.27 | 688.12 | 950.74 | 4,588.16 | 22,651.82 |
| Balance as at April 1, 2021 | 3,386.92 | 9,191.36 | 3,292.93 | 178.32 | 375.27 | 688.12 | 950.74 | 4,588.16 | 22,651.82 |
| Additions | 121.18 | 1,164.45 | 423.25 | 32.96 | 61.15 | 140.99 | - | 224.05 | 2,168.03 |
| Disposals/Adjustments | (25.65) | (523.57) | (283.03) | (18.45) | (10.88) | (47.71) | - | (913.93) | (1,823.22) |
| Balance as at March 31, 2022 | 3,482.45 | 9,832.24 | 3,433.15 | 192.83 | 425.54 | 781.40 | 950.74 | 3,898.28 | 22,996.63 |
| Accumulated Depreciation | | | | | | | | | |
| As at April 1, 2020 | - | 2,069.55 | 1,522.97 | 117.37 | 166.42 | 413.73 | 345.61 | 543.56 | 5,179.21 |
| Depreciation for the year | - | 440.12 | 301.84 | 16.91 | 65.68 | 98.62 | 69.97 | 480.93 | 1,474.07 |
| Disposals/Adjustments | - | (0.80) | (7.69) | (0.34) | (8.53) | (9.00) | - | (476.28) | (502.64) |
| Balance as at March 31, 2021 | - | 2,508.87 | 1,817.12 | 133.94 | 223.57 | 503.35 | 415.58 | 548.21 | 6,150.64 |
| Depreciation for the year | - | 510.29 | 278.63 | 12.54 | 48.34 | 114.33 | 61.87 | 559.27 | 1,585.27 |
| Disposals/Adjustments | - | (94.72) | (165.87) | (13.12) | (0.84) | (39.21) | - | (137.87) | (451.63) |
| Balance as at March 31, 2022 | - | 2,924.44 | 1,929.88 | 133.36 | 271.07 | 578.47 | 477.45 | 969.61 | 7,284.28 |
| Net carrying amount | | | | | | | | | |
| Balance as at March 31, 2021 | 3,386.92 | 6,682.49 | 1,475.81 | 44.38 | 151.70 | 184.77 | 535.16 | 4,039.95 | 16,501.18 |
| Balance as at March 31, 2022 | 3,482.45 | 6,907.80 | 1,503.27 | 59.47 | 154.47 | 202.93 | 473.29 | 2,928.67 | 15,712.35 |

Notes:

- a. Refer note 16(a) for information on movable assets which are pledged as security by the company to banks
b. Right-of-use Asset includes (Refer Note-37) :-



Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| Particulars | Right-of-use Asset | | |
|-------------------------------------|--------------------|---------------|-----------------|
| | Buildings | Vehicles | Total |
| Gross carrying Amount | | | |
| Balance as at April 1, 2020 | 935.05 | 220.16 | 1,155.20 |
| Additions | 3,910.11 | - | 3,910.11 |
| Disposals/Adjustments | (424.29) | (52.86) | (477.15) |
| Balance as at March 31, 2021 | 4,420.87 | 167.29 | 4,588.16 |
| Balance as at April 1, 2021 | 4,420.87 | 167.29 | 4,588.16 |
| Additions | 224.05 | - | 224.05 |
| Disposals/Adjustments | (853.33) | (60.60) | (913.93) |
| Balance as at March 31, 2022 | 3,791.59 | 106.69 | 3,898.28 |
| Accumulated Depreciation | | | |
| Balance as at March 31, 2020 | 460.55 | 83.01 | 543.56 |
| Depreciation for the year | 416.10 | 64.83 | 480.93 |
| Disposals/Adjustments | (423.42) | (52.86) | (476.28) |
| Balance as at March 31, 2021 | 453.24 | 94.98 | 548.21 |
| Depreciation for the year | 523.71 | 35.56 | 559.27 |
| Disposals/Adjustments | (77.27) | (60.60) | (137.87) |
| Balance as at March 31, 2022 | 899.68 | 69.94 | 969.61 |
| Net carrying amount | | | |
| Balance as at March 31, 2021 | 3,967.63 | 72.31 | 4,039.95 |
| Balance as at March 31, 2022 | 2,891.92 | 36.75 | 2,928.67 |

c. Refer note-39 for transactions with Related Party

(₹ In lacs)

| 5. CAPITAL WORK IN PROGRESS | | Amount |
|---|--|-----------------|
| Particulars | | |
| As at April 1, 2020 | | 366.94 |
| Additions | | 860.46 |
| Less: Amount capitalized in Property, Plant and Equipment | | (468.00) |
| Balance as at March 31, 2021 | | 759.40 |
| As at April 1, 2021 | | 759.40 |
| Additions | | 5,325.51 |
| Less: Amount capitalized in Property, Plant and Equipment | | (1,250.19) |
| Balance as at March 31, 2022 | | 4,834.72 |

a Ageing for capital work-in-progress balance as at March 31, 2022 is as follows :

| Particulars | Amount in capital work-in-progress for a period of | | | | Total |
|----------------------|--|-----------|-----------|----------|----------|
| | <1 Year | 1-2 Years | 2-3 Years | >3 Years | |
| Projects in Progress | 4,811.13 | 23.59 | - | - | 4,834.72 |

Ageing for capital work-in-progress balance as at March 31, 2021 is as follows :

| Particulars | Amount in capital work-in-progress for a period of | | | | Total |
|----------------------|--|-----------|-----------|----------|--------|
| | <1 Year | 1-2 Years | 2-3 Years | >3 Years | |
| Projects in Progress | 759.40 | - | - | - | 759.40 |



Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| 6. OTHER INTANGIBLE ASSETS | | |
|-------------------------------------|--|---------------------------------------|
| Particulars | | Amount (Computer Software) |
| Gross Carrying Amount | | |
| As at April 1, 2020 | | 395.95 |
| Additions | | 2.63 |
| Disposals/Adjustments | | - |
| Balance as at March 31, 2021 | | 398.58 |
| As at April 1, 2021 | | 398.58 |
| Additions | | 6.10 |
| Disposals/Adjustments | | (5.48) |
| Balance as at March 31, 2022 | | 399.20 |
| Accumulated Amortization | | |
| As at April 1, 2020 | | 161.73 |
| Charge for the year | | 43.93 |
| Disposals/Adjustments | | - |
| Balance as at March 31, 2021 | | 205.66 |
| As at April 1, 2021 | | 205.66 |
| Charge for the year | | 42.48 |
| Disposals/Adjustments | | (3.57) |
| Balance as at March 31, 2022 | | 244.57 |
| Net Carrying Amount | | |
| Balance as at March 31, 2021 | | 192.92 |
| Balance as at March 31, 2022 | | 154.63 |



Notes to Standalone Financial Statements for the year ended March 31, 2022

7. INVESTMENTS

(₹ In lacs)

| | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|----------|----------------------|--------|
| | No. of Shares/Units | Amount | No. of Shares/Units | Amount |
| NON CURRENT | | | | |
| <u>Investment in Equity Instruments</u> | | | | |
| a. Unquoted-Investment in Subsidiary at cost | | | | |
| Shares of M/s Dhanuka Agri-solutions Pvt. Ltd. | 1,500.00 | 0.09 | 1,500.00 | 0.09 |
| Shares of M/s Dhanuka Chemicals Pvt. Ltd. | 10,000.00 | 1.00 | - | - |
| | | | | |
| <u>Investment in Preference Shares</u> | | | | |
| a. Unquoted- At Fair Value through Profit & Loss | | | | |
| Compulsorily convertible Preference Shares of M/s Iotechworld Avigation Pvt. Ltd. | 1,239.00 | 2,000.54 | - | - |
| b. Quoted- At Fair Value through Profit & Loss | | | | |
| Preference shares of Tata Motors Finance Ltd. | - | - | 2,50,000.00 | 568.27 |
| | | | | |
| <u>Investment in debentures or bonds</u> | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | |
| NCD - Face Value of ₹ 1000000/- each in India Grid Trust | - | - | 50.00 | 564.55 |
| NCD - Face Value of ₹ 1000000/- each in Mindspace Business Parks REIT | - | - | 50.00 | 522.20 |
| NCD - Face Value of ₹ 1000000/- each in Shriram Transport Finance Company Limited | 50.00 | 551.30 | - | - |
| NCD - Face Value of ₹ 1000000/- each in Muthoot Fincorp Limited | 30.00 | 306.57 | - | - |
| NCD - Face Value of ₹ 1000000/- each in Navi Finserv Private Limited | 30.00 | 297.25 | - | - |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in HDFC Bank | - | - | 25.00 | 274.49 |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in State Bank of India | 25.00 | 262.41 | 25.00 | 259.51 |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in Union Bank of India | 50.00 | 516.06 | - | - |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in Canara Bank | 50.00 | 510.06 | - | - |
| Perpetual Bonds- Face Value of ₹ 10000000/- each in State Bank of India | 5.00 | 522.57 | - | - |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in Bank of Baroda | 30.00 | 307.04 | - | - |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in Bank of Baroda | 20.00 | 209.33 | - | - |
| Perpetual Bonds- Face Value of ₹ 10000000/- each in Bank of Baroda | 5.00 | 515.45 | - | - |
| Perpetual Bonds- Face Value of ₹ 10000000/- each in Tata Motors Finance Limited | 5.00 | 513.50 | - | - |
| b. Quoted- At Amortised Cost | | | | |
| 7.35% Bonds - Face Value of ₹ 1000/- each in Indian Railway Finance Corporation Limited | 5,878.00 | 58.78 | 5,878.00 | 58.78 |
| 7.28% Bonds - Face Value of ₹ 1000/- each in Indian Railway Finance Corporation Limited | 30,200.00 | 302.00 | 30,200.00 | 302.00 |
| 7.35% Bonds - Face Value of ₹ 1000/- each in National Highway Authority of India | 14,285.00 | 142.85 | 14,285.00 | 142.85 |
| 7.39% Bonds - Face Value of ₹ 1000/- each in National Highway Authority of India | 7,709.00 | 77.09 | 7,709.00 | 77.09 |
| 7.49% Bonds - Face Value of ₹ 1000/- each in Indian Renewable Energy Development Agency Ltd. | 34,060.00 | 340.60 | 34,060.00 | 340.60 |
| 7.39% Bonds - Face Value of ₹ 1000/- each in Housing and Urban Development Corp Ltd. | 7,007.00 | 70.07 | 7,007.00 | 70.07 |
| 7.35% Bonds - Face Value of ₹ 1000/- each in National Bank for Agriculture and Rural Development | 5,010.00 | 50.10 | 5,010.00 | 50.10 |
| 7.11% Bonds - Face Value of ₹ 1000/- each in Power Finance Corporation Limited | 2,567.00 | 25.67 | 2,567.00 | 25.67 |
| c. Unquoted- At Amortised Cost | | | | |
| Units of Annuities In Senior Secured Estate Fund | 2,80,070.85 | 280.07 | 2,91,839.78 | 291.84 |
| Units of IIFL Real Estate Fund-Series 2 | 47,09,658.52 | 219.51 | 47,09,658.52 | 255.43 |
| Units of Religare Credit Investment Trust | - | 0.88 | - | 0.88 |
| Units of ICICI Prudential Real Estate | 56,696.12 | 65.66 | 62,020.81 | 69.57 |
| Units of IIFL Real Estate Fund-Series 3 | 18,50,000.00 | 64.16 | 18,50,000.00 | 72.09 |



Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|------------------|----------------------|-----------------|
| | No. of Shares/Units | Amount | No. of Shares/Units | Amount |
| d. Unquoted- at Fair Value through Profit & Loss | | | | |
| Units of UTI Structured Debt Opportunities Fund | 2,21,458.63 | 224.25 | 35,53,459.28 | 381.20 |
| | | | | |
| Investment in Mutual Funds | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | |
| Units of Reliance Fixed Horizon Fund-XXXIX-Series 2 | - | - | 20,00,000.00 | 258.02 |
| Units of Bharat Bond ETF | 1,00,000.00 | 1,203.08 | 1,00,000.00 | 1,134.37 |
| Units of Bharat Bond ETF | 99,994.00 | 1,076.56 | 99,994.00 | 1,018.23 |
| Units of Edelweiss NIFTY PSU Bond Plus SDL Index Fund | 99,99,500.03 | 1,074.00 | 99,99,500.03 | 1,010.82 |
| Units of Bharat Bond ETF | 99,995.00 | 1,010.08 | - | - |
| | | | | |
| Investment in Debt Instruments | | | | |
| a. Unquoted- at Amortised Cost | | | | |
| FDR with LIC Housing Finance Ltd. | - | - | - | 500.00 |
| FDR with Housing Development Finance Corporation Ltd. | - | - | - | 500.00 |
| FDR with ICICI Home Finance Company Ltd. | - | 500.00 | - | 500.00 |
| FDR with Bajaj Finance Ltd. | - | 500.00 | - | - |
| FDR with Mahindra & Mahindra Financial Services Ltd. | - | 500.00 | - | - |
| | | | | |
| Total Non Current Investment | | 14,298.58 | | 9,248.72 |
| Less: Allowance for doubtful debts | | 315.14 | | 219.00 |
| Total Non Current Investment | | 13,983.44 | | 9,029.72 |
| | | | | |
| Aggregate amount of quoted investments and Market Value thereof | | 9,942.42 | | 6,677.62 |
| Aggregate amount of quoted investments and Book Value thereof | | 9,942.42 | | 6,677.62 |
| Aggregate amount of unquoted investments | | 4,356.16 | | 2,571.10 |
| Aggregate amount of impairment in value of investments | | 315.14 | | 219.00 |
| | | | | |
| CURRENT | | | | |
| Investment in Equity Instruments | | | | |
| a. Unquoted- at Fair Value through Profit & Loss | | | | |
| Units of DSP India Enhanced Equity SatCore Fund | - | - | 2,00,000.00 | 238.70 |
| b. Quoted- at Fair Value through Profit & Loss | | | | |
| Units of ABSL Arbitrage Fund-Direct Growth Plan | 46,28,412.48 | 1,053.15 | 46,28,412.48 | 1,008.13 |
| Units of Axis Arbitrage Fund-Direct Growth Plan | 65,27,983.62 | 1,056.65 | 65,27,983.62 | 1,008.10 |
| Units of Edelweiss Arbitrage Fund-Direct Growth Plan | 63,98,901.91 | 1,054.76 | 63,98,901.91 | 1,007.65 |
| Units of ICICI Prudential Equity Arbitrage Fund-Direct Growth Plan | 35,78,534.88 | 1,048.17 | 35,78,534.88 | 1,003.86 |
| Units of Kotak Equity Arbitrage Fund-Direct Growth Plan | 33,28,717.29 | 1,054.17 | 33,28,717.29 | 1,007.97 |
| Units of Nippon India Arbitrage Fund-Direct Growth Plan | 46,05,984.41 | 1,051.46 | 46,05,984.41 | 1,005.35 |
| Units of Tata Arbitrage Fund-Direct Growth Plan | 87,67,722.67 | 1,050.86 | 87,67,722.67 | 1,005.66 |
| Units of UTI Arbitrage Fund-Direct Growth Plan | 35,41,939.97 | 1,052.71 | 35,41,939.97 | 1,007.84 |
| Units of HDFC Arbitrage Fund-Direct Growth Plan | 63,92,316.07 | 1,028.08 | - | - |
| Units of SBI Arbitrage Opp Fund-Direct Growth Plan | 50,84,017.96 | 1,432.11 | - | - |
| Units of IDFC Arbitrage Fund-Direct Growth Plan | 36,80,494.99 | 1,027.35 | - | - |



Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|------------------|----------------------|------------------|
| | No. of Shares/Units | Amount | No. of Shares/Units | Amount |
| Investment in debentures or bonds | | | | |
| a. Quoted- at Fair Value through Profit & Loss | | | | |
| NCD - Face Value of ₹ 100000/- each in Edelweiss Finvest Private Limited | - | - | 294.00 | 332.78 |
| NCD - Face Value of ₹ 100000/- each in IIFL Wealth Finance Limited | - | - | 300.00 | 428.32 |
| NCD - Face Value of ₹ 100000/- each in Edelweiss Finvest Pvt. Limited | - | - | 1,000.00 | 1,343.65 |
| NCD - Face Value of ₹ 1000000/- each in Mindspace Business Parks REIT | 50.00 | 552.65 | - | - |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in HDFC Bank | 25.00 | 270.49 | - | - |
| | | | | |
| Investment in Mutual Funds | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | |
| Units of Reliance Fixed Horizon Fund-XXXV-Series 13 | - | - | 30,00,000.00 | 380.31 |
| Units of UTI Fixed Term Income Fund Series-1204 Days | - | - | 30,00,000.00 | 378.80 |
| Units of ICICI Prudential Fixed Maturity Plan Series 82-1203 Days | - | - | 30,00,000.00 | 379.05 |
| Units of ICICI Prudential Fixed Maturity Plan Series 82-1215 Days | - | - | 30,00,000.00 | 380.40 |
| Units of Aditya Birla Sun life Fixed Term Plan Series PB-1190 Days | - | - | 30,00,000.00 | 378.80 |
| Units of Aditya Birla Sun life Fixed Term Plan Series PC-1169 Days | - | - | 30,00,000.00 | 379.49 |
| Units of DSP FMP Series 219-40M | - | - | 30,00,000.00 | 376.46 |
| Units of DSP FMP Series 220-40M | - | - | 30,00,000.00 | 378.96 |
| Units of Aditya Birla Sun life Fixed Term Plan Series QX-1103 Days | - | - | 30,00,000.00 | 367.48 |
| Units of Aditya Birla Sun life Fixed Term Plan Series RA-1100 Days | - | - | 20,00,000.00 | 245.02 |
| Units of DSP FMP Series 243-36M | - | - | 15,00,000.00 | 187.27 |
| Units of UTI Fixed Term Income Fund Series XXX-I-1104 Days | - | - | 15,00,000.00 | 178.40 |
| Units of UTI Liquid Cash Plan-Direct Growth Plan | 69,929.34 | 2,439.16 | 17,982.55 | 606.10 |
| Units of Axis Liquid Fund-Direct Growth Plan | 25,543.06 | 603.86 | 1,29,247.23 | 2,953.03 |
| Units of ABSL Liquid Fund-Direct Growth Plan | 4,82,427.54 | 1,655.33 | 2,41,429.59 | 800.42 |
| Units of Nippon India Liquid Fund-Direct Growth Plan | 17,405.11 | 906.46 | - | - |
| Units of Nippon India Fixed Horizon Fund-XXXIX-Series 2 | 20,00,000.00 | 268.90 | - | - |
| | | | | |
| Investment in Debt Instruments | | | | |
| a. Unquoted- At Amortised Cost | | | | |
| FDR with LIC Housing Finance Ltd. | - | 500.00 | - | - |
| FDR with Housing Development Finance Corporation Ltd. | - | 500.00 | - | - |
| | | | | |
| Total Current Investment | | 19,606.32 | | 18,768.00 |
| | | | | |
| Aggregate amount of quoted investments and Market Value thereof | | 18,606.32 | | 18,529.30 |
| Aggregate amount of quoted investments and Book Value thereof | | 18,606.32 | | 18,529.30 |
| Aggregate amount of unquoted investments | | 1,000.00 | | 238.70 |
| Aggregate amount of impairment in value of investments | | - | | - |



Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| 8. LOANS | | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Unsecured, Considered good unless otherwise stated | | |
| Non Current | | |
| Loans to employees | 10.72 | 11.40 |
| Loan to Subsidiary# | | |
| Unsecured, Considered good | - | 11.56 |
| Doubtful | 13.42 | |
| Less: Allowance for doubtful debts | (13.42) | |
| | 10.72 | 22.96 |
| Break up of Security Details | | |
| Loans considered good-Secured | - | - |
| Loans considered good-Unsecured | 10.72 | 22.96 |
| Loans which have significant increase in Credit Risk | 13.42 | - |
| Loans-Credit impaired | - | - |
| Total | 24.14 | 22.96 |
| Less : Allowance | (13.42) | - |
| Total | 10.72 | 22.96 |
| Current | | |
| Loans to employees | 72.70 | 68.46 |
| Loans to corporates and others | | |
| Unsecured, Considered good* | - | 3,900.00 |
| Doubtful | 645.71 | 645.71 |
| Less: Allowance for doubtful debts | (645.71) | (645.71) |
| | 72.70 | 3,968.46 |
| Break up of Security Details | | |
| Loans considered good-Secured | - | - |
| Loans considered good-Unsecured | 72.70 | 3,968.46 |
| Loans which have significant increase in Credit Risk | 450.00 | 450.00 |
| Loans-Credit impaired | 195.71 | 195.71 |
| Total | 718.41 | 4,614.17 |
| Less : Allowance | (645.71) | (645.71) |
| Total | 72.70 | 3,968.46 |

Footnotes :

- #Refer Note-39.
- *Includes amount due to related parties amounting to ₹ Nil (March 31, 2021 ₹ 3900 Lacs). Refer Note-39.
- There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.



Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

9. OTHER FINANCIAL ASSETS

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Unsecured, Considered good unless otherwise stated | | |
| Non Current | | |
| Fixed Deposits with Banks* | 112.65 | - |
| Security Deposits | | |
| Unsecured, Considered good | 326.56 | 388.82 |
| Doubtful | 34.79 | 1.50 |
| Less: Allowance for doubtful debts | (34.79) | (1.50) |
| | 439.21 | 388.82 |
| Current | | |
| Fixed Deposits with Banks* | 2,304.24 | 3,369.74 |
| Interest Accrued on Loans and Investment | 154.68 | 43.65 |
| Claim Receivable | 6,554.55 | 1,614.68 |
| Security Deposits | 33.69 | 53.08 |
| | 9,047.16 | 5,081.15 |

Footnotes :

- *Includes interest accrued thereon. Lien marked against the Overdraft facility taken from bank as shown under the head "Borrowings"
- There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

10. INVENTORIES

| | As at March 31, 2022 | As at March 31, 2021 |
|---------------------|-------------------------|-------------------------|
| Raw materials* | 12,060.27 | 8,579.04 |
| Packing materials** | 2,508.09 | 1,926.11 |
| Work in Progress | 806.01 | 596.56 |
| Finished Goods*** | 15,543.11 | 13,974.21 |
| Stock in Trade**** | 3,731.48 | 4,419.21 |
| Store and spares | 69.45 | 55.21 |
| TOTAL | 34,718.41 | 29,550.34 |

Footnotes :

- The mode of valuation of inventories has been stated in note no 3(f)
- Refer note 16(a) for information on Inventories pledged as security by the company to banks
- *: Stock of Raw Materials includes value of goods in transit of ₹ 2439.62 lacs [March 31,2021 : ₹ 2042.68 lacs]
- ** : Stock of Packing Materials includes value of goods in transit of ₹ 82.73 lacs [March 31,2021 : ₹ 23.27 lacs]
- ***: Stock of Finished Goods includes value of goods in transit of ₹ 195.35 lacs [March 31,2021 : ₹ 318.42 lacs]
- ****: Stock in Trade includes value of goods in transit of ₹ 13.77 lacs [March 31,2021 : ₹ 259.12 lacs]
- Cost of Inventories recognized as an expense during the year amount to ₹ 96958.41 lacs [P.Y. ₹ 89504.52 lacs]



Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| 11. TRADE RECEIVABLES | | | |
|--------------------------------------|--|-----------------------------|-----------------------------|
| | | As at March 31, 2022 | As at March 31, 2021 |
| | Unsecured, Considered good* | 28,802.55 | 24,730.04 |
| | Less: Allowance for doubtful debts (expected credit loss allowance) | (553.39) | (463.66) |
| | TOTAL | 28,249.16 | 24,266.38 |
| Break up for Security Details | | | |
| | Trade Receivables considered good-Secured | - | - |
| | Trade Receivables considered good-Unsecured | 28,802.55 | 24,730.04 |
| | Trade Receivables which have significant increase in Credit Risk | - | - |
| | Trade Receivables-Credit impaired | - | - |
| | TOTAL | 28,802.55 | 24,730.04 |
| | Less: Allowance for doubtful debts (expected credit loss allowance) (Refer Note-42) | (553.39) | (463.66) |
| | TOTAL | 28,249.16 | 24,266.38 |
| Footnotes : | | | |
| a. | *Of the above, trade receivable from related parties are given below : Unsecured, considered good (Refer note-39) | 1.27 | - |

b. Ageing for Trade Receivables outstanding

As at March 31, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|------------|-------------------|-----------|-----------|-----------|------------------|
| | Not Due | < 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | > 3 Years | |
| (i) Undisputed Trade receivables – considered good | 22,977.58 | 5,007.48 | 51.46 | 16.78 | 13.18 | 47.66 | 28,114.14 |
| (ii) Undisputed Trade Receivables –which have significant increase in credit risk | 0.01 | 24.74 | 54.83 | 111.13 | 180.52 | 317.18 | 688.41 |
| (iii) Undisputed Trade Receivables –credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Less: Loss Allowance | | | | | | | (553.39) |
| Total | | | | | | | 28,249.16 |

As at March 31, 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|------------|-------------------|-----------|-----------|-----------|------------------|
| | Not Due | < 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | > 3 Years | |
| (i) Undisputed Trade receivables – considered good | 20,587.58 | 3,334.90 | 61.94 | 56.24 | 41.73 | 34.97 | 24,117.36 |
| (ii) Undisputed Trade Receivables –which have significant increase in credit risk | - | 10.49 | 38.49 | 186.86 | 136.93 | 239.91 | 612.68 |
| (iii) Undisputed Trade Receivables –credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Less: Loss Allowance | | | | | | | (463.66) |
| Total | | | | | | | 24,266.38 |

c. Refer note 16(a) for information on Trade Receivable pledged as security by the company to banks

d. There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.



Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| 12. CASH & CASH EQUIVALENTS | | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Cash & Cash Equivalents | | |
| Balance with Banks in Current Account | 97.63 | 6.68 |
| Cash on Hand | 37.22 | 54.63 |
| Cheques / Drafts in Hand | 12.75 | - |
| | 147.60 | 61.31 |
| Bank Balance other than Cash and Cash Equivalents | | |
| Balance with Banks in Unpaid Equity Dividend Account** | 95.09 | 87.03 |
| | 95.09 | 87.03 |
| Footnotes : | | |
| a. **Earmarked against the corresponding unclaimed dividend liabilities as shown under the head "Other financial liabilities" | | |
| | | |
| 13. OTHER ASSETS | | |
| Unsecured, Considered good unless otherwise stated | As at March 31, 2022 | As at March 31, 2021 |
| Non Current | | |
| Capital Advance | 456.32 | 43.45 |
| Receivables from Govt. Authorities | 77.30 | 70.57 |
| Deposits with Public Authorities | 58.99 | 58.40 |
| Prepaid expenses | 13.88 | 209.38 |
| Other Advances | 10.15 | 9.76 |
| | 616.64 | 391.56 |
| Current | | |
| Prepaid expenses | 209.48 | 29.63 |
| Advances to Vendor* | 331.81 | 793.09 |
| Receivables from Govt. Authorities | 2,951.57 | 3,193.91 |
| DEPB Licence in Stock | 0.14 | - |
| Other Advances** | 37.71 | 28.22 |
| | 3,530.71 | 4,044.85 |

Footnotes :

- a. *Net of Provision for Bad debts of ₹ 17.20 lacs [March 31,2021 : ₹ Nil]
b. **Includes advances given to employees



Notes to Standalone Financial Statements for the year ended March 31, 2022

14. Equity Share Capital

(₹ In lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Authorized Share capital | | |
| 14,21,00,000 equity shares of ₹ 2/- each | 2,842.00 | 2,842.00 |
| 5,80,000 Redeemable Non Cumulative Preference Shares of ₹ 10/- each | 58.00 | 58.00 |
| Issued, subscribed and fully paid up | | |
| 4,65,78,324 equity shares of ₹ 2/- each | 931.57 | 931.57 |
| [Last Year 4,65,78,324 equity shares of ₹ 2/- each] | 931.57 | 931.57 |

Notes :

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---------------------------------------|-------------------------|---------------|-------------------------|---------------|
| | No of shares | Amount | No of shares | Amount |
| Opening | 4,65,78,324 | 931.57 | 4,75,78,324 | 951.57 |
| Issued during the period | - | - | - | - |
| Shares Extinguished on buy back* | - | - | 10,00,000 | 20.00 |
| Closing at the end of the year | 4,65,78,324 | 931.57 | 4,65,78,324 | 931.57 |

**The Board of Directors of the Company in its Meeting held on 22nd July, 2020, has approved the proposal for Buyback of 10,00,000 (Ten Lakhs) Equity Shares of the Company for an amount not exceeding ₹ 100.00 Crores (Rupees One Hundred Crore Only) at a maximum price not exceeding ₹ 1,000/- (Rupees One Thousand only) per Equity Share, which was further approved by the Members at the 35th Annual General Meeting of the Company held on 15th September, 2020. The Buy Back Committee in its Meeting held on 16th September, 2020 determined the Buy Back Price of ₹ 1,000/- (Rupees One Thousand only) per Equity Share.

Pursuant to above, Offer for Buy Back of Equity Shares of the Company were opened from 20th October, 2020 to 3rd November, 2020. The Company bought back 10,00,000 (Ten Lakhs) Fully Paid-up Equity Shares of the Face Value of ₹ 2 each from Eligible Shareholders of the Company as on September 28, 2020 i.e. the Record Date and accordingly the Company has extinguished 10,00,000 (Ten Lakhs) Equity Shares on November 13, 2020 in terms of SEBI (Buy Back of Securities) Regulations, 2018. Consequent to above Buy Back, Paid up Share Capital of the Company have been reduced by ₹ 20,00,000/- (Twenty Lakhs Only)**

b. Terms/Rights attached to Issued Equity Shares

- The Company has only one class of Equity Shares having at par value of ₹ 2/- per share. Each Equity share is entitled to one vote.
- In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts.
- The distribution will be in proportion to the number of Equity Shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the company

| Name of Shareholder | As at March 31, 2022 | | As at March 31, 2021 | |
|---------------------------------------|----------------------------|-----------|----------------------------|-----------|
| | No. of Shares (In Lacs) | % holding | No. of Shares (In Lacs) | % holding |
| M/s Triveni Trust | 264.59 | 56.80% | 284.25 | 61.03% |
| M/s Pushpa Dhanuka Trust | 47.11 | 10.11% | 50.74 | 10.89% |
| M/s DSP Blackrock Trustee Co. Pvt Ltd | 40.27 | 8.65% | 30.71 | 6.59% |

As per the records of the Company, including its Register of Shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

d. The Company does not have any holding / ultimate holding company



Notes to Standalone Financial Statements for the year ended March 31, 2022

e. Discloser of Shareholding of Promoters

(₹ In lacs)

As at March 31, 2022

| Promoter Name | As at March 31, 2022 | | As at March 31, 2021 | | % change during the Year |
|------------------------|----------------------|--------------|----------------------|--------------|--------------------------|
| | No. of Shares | % holding | No. of Shares | % holding | |
| Ram Gopal Agarwal | 1,92,642 | 0.41% | 3,42,642 | 0.74% | -0.33% |
| Mahendra Kumar Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Total | 2,20,773 | 0.47% | 3,70,773 | 0.80% | -0.33% |

As at March 31, 2021

| Promoter Name | As at March 31, 2021 | | As at March 31, 2020 | | % change during the Year |
|------------------------|----------------------|--------------|----------------------|--------------|--------------------------|
| | No. of Shares | % holding | No. of Shares | % holding | |
| Ram Gopal Agarwal | 3,42,642 | 0.74% | 3,49,148 | 0.73% | 0.01% |
| Mahendra Kumar Dhanuka | 28,131 | 0.06% | 28,665 | 0.06% | 0.00% |
| Total | 3,70,773 | 0.80% | 3,77,813 | 0.79% | 0.01% |

f. Discloser of Shareholding of Promoters Group

As at March 31, 2022

| Name | As at March 31, 2022 | | As at March 31, 2021 | | % change during the Year |
|---------------------------------|----------------------|---------------|----------------------|---------------|--------------------------|
| | No. of Shares | % holding | No. of Shares | % holding | |
| Triveni Trust | 2,64,58,763 | 56.80% | 2,84,25,299 | 61.03% | -4.22% |
| Pushpa Dhanuka Trust | 47,11,382 | 10.11% | 50,73,762 | 10.89% | -0.78% |
| Manish Dhanuka | 2,70,681 | 0.58% | 2,70,681 | 0.58% | 0.00% |
| Rahul Dhanuka | 2,05,250 | 0.44% | 2,05,250 | 0.44% | 0.00% |
| Mahendra Kumar Dhanuka HUF | 1,77,048 | 0.38% | 1,77,048 | 0.38% | 0.00% |
| Satya Narain Agarwal | 1,72,081 | 0.37% | 22,081 | 0.05% | 0.32% |
| Abhishek Dhanuka | 83,000 | 0.18% | 83,000 | 0.18% | 0.00% |
| Satyanarain Agarwal HUF | 40,237 | 0.09% | 40,237 | 0.09% | 0.00% |
| Arun Kumar Dhanuka | 37,200 | 0.08% | 37,200 | 0.08% | 0.00% |
| Akangsha Dhanuka | 29,629 | 0.06% | 29,629 | 0.06% | 0.00% |
| Harsh Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Megha Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Mridul Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Uma Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Urmila Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Madhuri Dhanuka | 27,878 | 0.06% | 27,878 | 0.06% | 0.00% |
| Seema Dhanuka | 12,969 | 0.03% | 12,969 | 0.03% | 0.00% |
| Arjun Dhanuka | 8,636 | 0.02% | 8,636 | 0.02% | 0.00% |
| Mamta Dhanuka | 8,364 | 0.02% | 8,364 | 0.02% | 0.00% |
| Mridul Dhanuka HUF | 52 | 0.00% | 52 | 0.00% | 0.00% |
| Ram Gopal Agarwal HUF | 52 | 0.00% | 52 | 0.00% | 0.00% |
| Golden Overseas Private Limited | 26 | 0.00% | 26 | 0.00% | 0.00% |
| Pushpa Dhanuka | 19 | 0.00% | 19 | 0.00% | 0.00% |
| Arun Kumar Dhanuka HUF | 11 | 0.00% | 11 | 0.00% | 0.00% |
| Gobind Lal Dhanuka HUF | 10 | 0.00% | 10 | 0.00% | 0.00% |
| Total | 3,23,83,943 | 69.53% | 3,45,62,859 | 74.20% | -4.68% |



Notes to Standalone Financial Statements for the year ended March 31, 2022

As at March 31, 2021

(₹ In lacs)

| Name | As at March 31, 2021 | | As at March 31, 2020 | | % change during the Year |
|---------------------------------|-------------------------|---------------|-------------------------|---------------|--------------------------------|
| | No. of Shares | % holding | No. of Shares | % holding | |
| Triveni Trust | 2,84,25,299 | 61.03% | 2,90,35,413 | 61.03% | 0.00% |
| Pushpa Dhanuka Trust | 50,73,762 | 10.89% | 51,84,379 | 10.90% | 0.00% |
| Manish Dhanuka | 2,70,681 | 0.58% | 2,75,821 | 0.58% | 0.00% |
| Rahul Dhanuka | 2,05,250 | 0.44% | 2,12,958 | 0.45% | -0.01% |
| Mahendra Kumar Dhanuka HUF | 1,77,048 | 0.38% | 1,80,410 | 0.38% | 0.00% |
| Satya Narain Agarwal | 22,081 | 0.05% | 22,500 | 0.05% | 0.00% |
| Abhishek Dhanuka | 83,000 | 0.18% | 83,000 | 0.17% | 0.00% |
| Satyanarain Agarwal HUF | 40,237 | 0.09% | 41,000 | 0.09% | 0.00% |
| Arun Kumar Dhanuka | 37,200 | 0.08% | 37,906 | 0.08% | 0.00% |
| Akangsha Dhanuka | 29,629 | 0.06% | 29,629 | 0.06% | 0.00% |
| Harsh Dhanuka | 28,131 | 0.06% | 28,665 | 0.06% | 0.00% |
| Megha Dhanuka | 28,131 | 0.06% | 28,665 | 0.06% | 0.00% |
| Mridul Dhanuka | 28,131 | 0.06% | 28,665 | 0.06% | 0.00% |
| Uma Dhanuka | 28,131 | 0.06% | 28,665 | 0.06% | 0.00% |
| Urmila Dhanuka | 28,131 | 0.06% | 28,665 | 0.06% | 0.00% |
| Madhuri Dhanuka | 27,878 | 0.06% | 28,407 | 0.06% | 0.00% |
| Seema Dhanuka | 12,969 | 0.03% | 13,215 | 0.03% | 0.00% |
| Arjun Dhanuka | 8,636 | 0.02% | 8,799 | 0.02% | 0.00% |
| Mamta Dhanuka | 8,364 | 0.02% | 8,522 | 0.02% | 0.00% |
| Mridul Dhanuka HUF | 52 | 0.00% | 52 | 0.00% | 0.00% |
| Ram Gopal Agarwal HUF | 52 | 0.00% | 52 | 0.00% | 0.00% |
| Golden Overseas Private Limited | 26 | 0.00% | 26 | 0.00% | 0.00% |
| Pushpa Dhanuka | 19 | 0.00% | 19 | 0.00% | 0.00% |
| Arun Kumar Dhanuka HUF | 11 | 0.00% | 11 | 0.00% | 0.00% |
| Gobind Lal Dhanuka HUF | 10 | 0.00% | 10 | 0.00% | 0.00% |
| Total | 3,45,62,859 | 74.20% | 3,53,05,454 | 74.20% | 0.00% |



Notes to Standalone Financial Statements for the year ended March 31, 2022

15. OTHER EQUITY

(₹ In lacs)

| Reserves and Surplus | | As at March 31, 2022 | As at March 31, 2021 |
|---|--------------|---------------------------------|---------------------------------|
| Capital Reserve | | | |
| Balance at the beginning of the Financial Year | | 95.47 | 95.47 |
| Addition during the Financial Year | | - | - |
| Deduction during the Financial Year | | - | - |
| | | 95.47 | 95.47 |
| Capital Reserve includes profit on merger of entities | | | |
| Capital Redemption Reserve | | | |
| Balance at the beginning of the Financial Year | | 68.82 | 48.82 |
| Addition during the Financial Year | | - | 20.00 |
| Deduction during the Financial Year | | - | - |
| | | 68.82 | 68.82 |
| Capital Redemption Reserve created on redemption of Equity shares | | | |
| Retained Earnings | | | |
| Balance at the beginning of the Financial Year | | 78,534.79 | 69,673.90 |
| Addition during the Financial Year | | 20,878.22 | 21,056.01 |
| Less: Amount Utilised for Buy back of equity shares | | - | (9,980.00) |
| Less: Amount Transferred to Capital Redemption Reserve on Buy back of equity shares | | - | (20.00) |
| Less: Tax paid on Buy back of equity shares | | - | (2,324.94) |
| Add/ (Less): | | | |
| Remeasurements of the defined benefit plans through OCI | | 190.95 | 129.82 |
| Dividend paid including Dividend Distribution Tax (DDT) | | (4,657.83) | - |
| | | 94,946.13 | 78,534.79 |
| | Total | 95,110.42 | 78,699.08 |

Retained Earnings represents undistributed profits of the company which can be distributed to its Equity Shareholders in accordance with the requirements of Companies Act, 2013.

Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

| Detail of Dividend Paid | | As at March 31, 2022 | As at March 31, 2021 |
|--|--|---------------------------------|---------------------------------|
| a.) Dividend Paid | | | |
| Final Dividend Declared for F.Y. 2020-21 [Dividend Paid ₹ 2/- per share] | | 931.57 | - |
| Interim Dividend Declared for F.Y. 2021-22 [Dividend Paid ₹ 8/- per share] | | 3,726.26 | - |
| | | 4,657.83 | - |

b.) Proposed Dividend

After the reporting date, the Board of Directors of the Company has recommended a final dividend of ₹ 6.00 per Equity share amounting to ₹ 2794.70 Lacs excluding applicable taxes for the financial year 2021-22.

The dividend proposed by the Directors are subject to approval at the annual general meeting. The dividend has not been recognised as liability. The same will be recognised as a liability and deducted from shareholder's equity in the period in which the dividends are approved by the equity shareholders in the general meeting.



Notes to Standalone Financial Statements for the year ended March 31, 2022

| 16. BORROWINGS (CURRENT) | | (₹ In lacs) | | | | |
|---|--|--|--------------|--------------|--------------|-------------------------|
| | | As at March 31, 2022 | | | | As at March 31, 2021 |
| Secured | | | | | | |
| From Banks-Loan Repayable on Demand | | | | | | |
| Cash Credit limits from Banks | | - | | | | - |
| Over Draft Against Pledge of FDR | | 96.24 | | | | 835.84 |
| | | 96.24 | | | | 835.84 |
| Footnotes : | | | | | | |
| a. | Cash Credit Limits from Banks are secured by hypothecation of stocks of raw materials, work in process, finished goods, book debts and other movable assets on pari-passu basis and by joint and several guarantee of the Directors of the Company. Loan from Banks are repayable on demand and carried interest @ 7.20% to 7.90% p.a. | | | | | |
| b. | Overdraft facilities has been taken from bank against Lien mark of Fixed Deposits as shown under the head "Other Current & Non Current Financial Assets" | | | | | |
| 17. TRADE PAYABLES | | (₹ In lacs) | | | | |
| | | As at March 31, 2022 | | | | As at March 31, 2021 |
| Trade Payables | | | | | | |
| Total Outstanding dues of micro enterprises and small enterprises | | 1,085.79 | | | | 619.39 |
| Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises* | | 16,385.96 | | | | 10,243.47 |
| | | 17,471.75 | | | | 10,862.86 |
| Footnotes : | | | | | | |
| a. | *Includes amount due to related parties amounting to ₹ 269.58 Lacs (March 31, 2021 ₹ 689.20 Lacs)-Refer Note-39 | | | | | |
| b. | Refer note 40 for information on total outstanding dues of Micro Enterprises and small Enterprises | | | | | |
| c. | Ageing of Trade Payables | | | | | |
| As at March 31, 2022 | | | | | | |
| | | Outstanding for following periods from the date of Transaction | | | | |
| Particulars | Not Due | < 1 year | 1-2 Years | 2-3 Years | > 3 Years | Total |
| (i) Micro Small and Medium Enterprise (MSME) | 659.02 | 426.77 | - | - | - | 1,085.79 |
| (ii) Creditors other than Micro Enterprises and small Enterprises | 5,432.99 | 10,870.10 | 23.44 | 44.95 | 14.48 | 16,385.96 |
| (iii) Disputed dues -MSME | - | - | - | - | - | - |
| (iv) Disputed dues -Others | - | - | - | - | - | - |
| Total | 6,092.01 | 11,296.87 | 23.44 | 44.95 | 14.48 | 17,471.75 |
| As at March 31, 2021 | | | | | | |
| | | Outstanding for following periods from the date of Transaction | | | | |
| Particulars | Not Due | < 1 year | 1-2 Years | 2-3 Years | > 3 Years | Total |
| (i) Micro Small and Medium Enterprise (MSME) | 177.88 | 441.51 | - | - | - | 619.39 |
| (ii) Creditors other than Micro Enterprises and small Enterprises | 3,480.14 | 6,682.15 | 54.52 | 15.13 | 11.53 | 10,243.47 |
| (iii) Disputed dues -MSME | - | - | - | - | - | - |
| (iv) Disputed dues -Others | - | - | - | - | - | - |
| Total | 3,658.02 | 7,123.66 | 54.52 | 15.13 | 11.53 | 10,862.86 |



Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| 18. OTHER FINANCIAL LIABILITIES | | As at March 31, 2022 | As at March 31, 2021 | |
|---|--|--------------------------------|----------------------------------|---------------------------------|
| Non Current | | | | |
| Security Received from Customers* | | 1,425.13 | 1,339.66 | |
| | | 1,425.13 | 1,339.66 | |
| Current | | | | |
| Unclaimed Dividend** | | 95.09 | 87.03 | |
| Capital Creditors | | 485.70 | 29.59 | |
| Other Payable*** | | 8,511.21 | 9,967.37 | |
| | | 9,092.00 | 10,083.99 | |
| Footnotes : | | | | |
| a. | *Security received from Customers includes Security received from C&F Agents | | | |
| b. | **There are no outstanding dues to be paid to Investor Education & Protection Fund. | | | |
| c. | ***Other payables includes Employee related costs and provision of Expenses and discounts and rebates on sale. | | | |
| 19. PROVISIONS | | As at March 31, 2022 | As at March 31, 2021 | |
| Provision for Employee Benefits | | | | |
| Non Current | | | | |
| Provision for Gratuity | | 13.23 | 33.60 | |
| Provision for Compensated absences | | 10.57 | 66.52 | |
| | | 23.80 | 100.12 | |
| Current | | | | |
| Provision for Compensated absences | | - | 24.71 | |
| | | - | 24.71 | |
| Footnotes : | | | | |
| a. | Refer note 35(b) for information on Defined benefit plans-Gratuity | | | |
| 20. DEFERRED TAX LIABILITIES (NET) | | As at March 31, 2022 | As at March 31, 2021 | |
| Deffered Tax Liabilities | | 918.39 | 1,109.98 | |
| Deffered Tax Assets | | (362.19) | (280.51) | |
| | | 556.20 | 829.47 | |
| | | As at April 1, 2020 | Recognized in P&L | As at March 31, 2021 |
| Deferred tax (assets)/ liabilities are attributable to the following items : | | | | |
| Deferred Tax Liabilities | | | | |
| Property, plant and equipment & Intangible assets | | 603.44 | 50.10 | 653.54 |
| Investments | | 183.39 | 273.05 | 456.44 |
| | Total-(A) | 786.83 | 323.15 | 1,109.98 |
| Deferred Tax Assets | | | | |
| Trade Receivables | | (246.23) | - | (246.23) |
| Lease Liability | | (6.69) | (27.59) | (34.28) |
| | Total-(B) | (252.92) | (27.59) | (280.51) |
| Net Deferred Tax Liability | (A+B) | 533.91 | 295.56 | 829.47 |



Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| | | As at April 1, 2021 | Recognized in P&L | As at March 31, 2022 |
|---|------------------|------------------------|----------------------|-------------------------|
| Deferred tax (assets)/ liabilities are attributable to the following items : | | | | |
| Deferred Tax Liabilities | | | | |
| Property, plant and equipment & Intangible assets | | 653.54 | (30.19) | 623.35 |
| Investments | | 456.44 | (161.40) | 295.04 |
| | Total-(A) | 1,109.98 | (191.59) | 918.39 |
| Deferred Tax Assets | | | | |
| Trade Receivables | | (246.23) | (35.29) | (281.52) |
| Lease Liability | | (34.28) | (46.39) | (80.67) |
| | Total-(B) | (280.51) | (81.68) | (362.19) |
| Net Deferred Tax Liability | (A+B) | 829.47 | (273.27) | 556.20 |

21. OTHER LIABILITIES

| | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------|-------------------------|-------------------------|
| Non Current | | |
| Advances from customers | - | - |
| | - | - |
| Current | | |
| Advances from customers | 1,031.88 | 3,193.63 |
| Statutory dues payable | 1,267.02 | 1,624.74 |
| | 2,298.90 | 4,818.37 |

22. CURRENT TAX LIABILITIES (NET)

| | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------------|-------------------------|-------------------------|
| Income Tax payable (Net of advance) | 1,128.43 | 581.26 |
| | 1,128.43 | 581.26 |

23. REVENUE FROM OPERATIONS

| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|------------------------------------|----------------|--------------------------------------|--------------------------------------|
| a. Revenue From Operations | | | |
| Sales of products | | | |
| Finished Goods | | | |
| -Agrochemical | | 1,22,875.60 | 1,20,465.38 |
| Traded Goods | | | |
| -Agrochemical | | 23,283.84 | 16,736.46 |
| | (A) | 1,46,159.44 | 1,37,201.84 |
| Other operating revenues | | | |
| Income from Power Generation Plant | | 168.17 | 154.22 |
| Scrap Sales | | 356.07 | 237.76 |
| Tax Incentive from Govt. | | 1,093.84 | 1,153.05 |
| | (B) | 1,618.08 | 1,545.03 |
| Total Revenue | (A)+(B) | 1,47,777.52 | 1,38,746.87 |



Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|------------|---|--|--|
| b. | Reconciliation of Revenue from contract with customers : | | |
| | Revenue as per contracted price | 1,56,819.75 | 1,50,328.06 |
| | Less : Discounts & Rebates | 9,042.23 | 11,581.19 |
| | Revenue from contract with customers | 1,47,777.52 | 1,38,746.87 |
| c. | Contract balances : | | |
| | The following table provides information about receivables, contract assets and contract liabilities from contracts with customers : | | |
| | | As at March 31, 2022 | As at March 31, 2021 |
| | Trade Receivables* | 28,249.16 | 24,266.38 |
| | | 28,249.16 | 24,266.38 |
| | Contract Liabilities | | |
| | Advances from Customers | 1,031.88 | 3,193.63 |
| | | 1,031.88 | 3,193.63 |
| | * Trade receivables are non-interest bearing and are generally on terms of 90 to 120 days. | | |
| d. | The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) is as follows : | | |
| | | As at March 31, 2022 | As at March 31, 2021 |
| | Advances from customers | 1,031.88 | 3,193.63 |
| | | 1,031.88 | 3,193.63 |
| 24. | OTHER INCOME | | |
| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
| | Interest Income on Financial Assets at amortised cost | 1,386.80 | 1,569.53 |
| | Dividend Income | 25.00 | - |
| | Net Gain on sale of investments | 464.12 | 335.87 |
| | Net Gain on Investments measured at fair value through profit or loss | 842.77 | 1,129.71 |
| | Other Non-Operating Income | | |
| | Rent Received | 7.15 | 9.14 |
| | Miscellaneous Receipts | 552.31 | 39.39 |
| | Net Gain on Foreign Currency Transactions | - | 252.42 |
| | Net Profit on disposal of property, plant and equipment | 62.36 | 22.84 |
| | Liabilities no Longer Required, Written Back | 18.19 | 11.37 |
| | | 3,358.70 | 3,370.27 |
| a. | Refer note-39 for transactions with Related Party | | |
| 25. | COST OF MATERIALS CONSUMED | | |
| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
| | Raw Materials | | |
| | Inventories at the beginning of the financial year | 8,579.04 | 7,875.38 |
| | Add : Purchases | 75,591.65 | 68,645.32 |



Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|---|--|--------------------------------------|--------------------------------------|
| Less : Inventories at the end of the financial year | | (12,060.27) | (8,579.04) |
| Cost of Raw Material Consumed | (A) | 72,110.42 | 67,941.66 |
| Packing Materials | | | |
| Inventories at the beginning of the financial year | | 1,926.11 | 1,547.09 |
| Add : Purchases | | 8,856.50 | 8,147.42 |
| Less : Inventories at the end of the financial year | | (2,508.09) | (1,926.11) |
| Cost of Packing Materials Consumed | (B) | 8,274.52 | 7,768.40 |
| | (A)+(B) | 80,384.94 | 75,710.06 |
| Footnotes : | | | |
| a. | Refer note-39 for transactions with Related Party | | |
| 26. | PURCHASE OF STOCK IN TRADE | | |
| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
| Agrochemical | | 14,614.42 | 14,120.65 |
| | | 14,614.42 | 14,120.65 |
| 27. | CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS | | |
| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
| Inventories at the end of the period | | | |
| Stock in Trade | | 3,731.48 | 4,419.21 |
| Work in Progress | | 806.01 | 596.56 |
| Finished Goods | | 15,543.11 | 13,974.21 |
| | | 20,080.60 | 18,989.98 |
| Inventories at the beginning of the period | | | |
| Stock in Trade | | 4,419.21 | 3,535.90 |
| Work in Progress | | 596.56 | 689.12 |
| Finished Goods | | 13,974.21 | 11,265.37 |
| | | 18,989.98 | 15,490.39 |
| (Increase)/Decrease in Inventories | | (1,090.62) | (3,499.59) |
| 28. | EMPLOYEE BENEFIT EXPENSES | | |
| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
| Salaries, wages and bonus | | 10,977.63 | 10,798.42 |
| Contribution to Provident & Other funds | | 406.48 | 388.50 |
| Gratuity | | 204.18 | 163.44 |
| Compensated absences | | 172.47 | 226.38 |
| Staff Welfare Expenses | | 289.52 | 249.95 |
| | | 12,050.28 | 11,826.69 |
| Footnotes : | | | |
| a. | Refer note 35(a) for information on Defined Contribution plan | | |
| b. | Refer note 35(b) for information on Defined benefit plan-Gratuity | | |
| c. | Refer note 35(c) for information on Other employee benefits-Compensated absences | | |
| d. | Refer note-39 for transactions with Related Party | | |



Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| 29. FINANCE COSTS | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|--|--|--------------------------------------|--------------------------------------|
| | Interest on bank overdraft & working capital limits | 10.29 | 11.45 |
| | Interest on lease liability | 303.52 | 201.66 |
| | Interest on Security Deposits & others | 6.46 | 56.27 |
| | | 320.27 | 269.38 |
| 30. DEPRECIATION AND AMORTIZATION EXPENSES | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
| | Depreciation on Property, Plant & Equipment (Refer Note-4) | 1,585.27 | 1,474.07 |
| | Amortization of Intangible Assets (Refer Note-6) | 42.48 | 43.93 |
| | | 1,627.75 | 1,518.00 |
| 31. OTHER EXPENSES | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
| | Power, fuel, electricity & water charges | 180.66 | 168.60 |
| | Consumable Stores | 97.47 | 115.01 |
| | Packing Charges | 526.32 | 399.46 |
| | Repair & Maintenance, Machinery | 114.92 | 99.32 |
| | Repair & Maintenance, Factory Building | 142.90 | 88.03 |
| | Incineration Charges | 6.89 | 2.01 |
| | Security Charges | 98.81 | 58.23 |
| | Laboratory expenses | 49.15 | 32.46 |
| | ISI Marking Fees | 7.45 | 5.48 |
| | R&D expenses | 384.77 | 239.03 |
| | Travelling and conveyance | 770.11 | 506.44 |
| | Communication Expenses | 106.29 | 122.42 |
| | Postage and Telegram | 27.95 | 26.93 |
| | Printing and Stationery | 53.11 | 48.24 |
| | Office and Godown Rent | 58.50 | 241.59 |
| | Rates and Taxes | 32.19 | 78.14 |
| | Insurance Charges | 456.90 | 662.71 |
| | Legal and Professional Charges | 796.81 | 522.15 |
| | Repair & Maintenance-Building | 219.11 | 672.56 |
| | Repair & maintenance-Other | 348.70 | 247.05 |
| | Security Charges-Offices | 26.40 | 34.80 |
| | Electricity & Water Charges | 47.27 | 57.25 |
| | Books and Periodicals | 0.96 | 1.91 |
| | Recruitment Expenses | 100.01 | 64.86 |
| | Fees and Subscription | 44.48 | 39.36 |
| | Charity and Donation | 7.74 | 1.21 |
| | Bank Charges | 23.39 | 15.15 |



Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|--|--|--------------------------------------|
| Miscellaneous Expenses | 9.07 | 4.28 |
| Directors' Sitting Fee | 23.55 | 15.20 |
| Payment to Auditors (Refer Note 31.1) | 20.98 | 20.12 |
| Vehicles Hiring & Maintenance | 1,347.37 | 1,048.45 |
| Net Loss on Foreign Currency Transactions | 138.21 | - |
| Property, Plant and Equipment Written off | 19.48 | - |
| CSR Expenses (Refer Note 31.2) | 406.67 | 331.13 |
| Education and Seminar | 603.20 | 182.55 |
| Advertisement and Publicity | 1,209.27 | 985.08 |
| Business Promotion Expenses | 198.30 | 84.18 |
| Allowance for Bad and Doubtful Debts & Loans (Net) | 345.94 | 511.96 |
| Freight & Cartage on STV & Sales | 3,920.49 | 3,814.45 |
| Field Assistant Expenses | 1,397.49 | 1,095.22 |
| C&F Commission | 1,111.63 | 1,035.26 |
| | 15,480.91 | 13,678.28 |
| | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
| 31.1 | Payment to Auditors | |
| | Statutory Auditors | |
| | Audit Fees | 15.00 |
| | Limited Review Fees | 3.00 |
| | Tax Audit Fees | 2.00 |
| | Certification & Other Matters | - |
| | Reimbursement of expenses | 0.98 |
| | TOTAL | 20.98 |
| | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
| 31.2 | Amount Spent on CSR Activities | |
| | Gross amount required to be spent by the company during the year | 403.61 |
| | Amount spent during the year | |
| | Promotion of Education | 356.93 |
| | Promotion of Sports | 0.25 |
| | Preventive Healthcare | 28.73 |
| | Eradicating Hunger | 8.25 |
| | Rural Development | - |
| | Livelihood Enhancement Projects | 1.00 |
| | Environmental Sustainability | 11.51 |
| | 406.67 | 331.13 |



Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| 32. INCOME TAX EXPENSE | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|--------------------------------|--|--|--|
| a. | Income tax recognized in profit or loss | | |
| | Current tax expense | | |
| | Current Tax | 7,143.32 | 7,142.10 |
| | Tax of earlier year provided / (written back) | - | - |
| | Deferred tax expense | | |
| | Origination and reversal of temporary differences | (273.27) | 295.56 |
| | | 6,870.05 | 7,437.66 |
| b. | Reconciliation of effective tax rate | | |
| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
| | Profit before tax | 27,748.27 | 28,493.67 |
| | Tax using the Company's domestic tax rate i.e. 25.168% | 6,983.68 | 7,171.29 |
| | Effect of Expenses not deductible for tax purpose | 146.88 | 176.19 |
| | Effect of Income Exempt from tax | (19.81) | (23.76) |
| | Effect of Concessions and Tax incentives | (0.46) | (0.61) |
| | Effect of Lower tax Rate for the capital gains | (228.05) | (15.12) |
| | Other | 48.06 | 32.67 |
| | Adjustment in respect of Deferred tax related to earlier years | (60.25) | 97.00 |
| | Income tax Expenses recognised in the statement of profit and loss | 6,870.05 | 7,437.66 |
| 33. OTHER COMPREHENSIVE INCOME | | | |
| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
| | (i) Items that will not be reclassified to profit or loss | | |
| | Remeasurements of the defined benefit plans | 190.95 | 129.82 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | - | - |
| | (i) Items that will be reclassified to profit or loss | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | - | - |
| | | 190.95 | 129.82 |
| 34. Earnings per share (EPS) | | | |
| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
| | Net Profit for Basic & diluted EPS (₹ In Lacs) | 20,878.22 | 21,056.01 |
| | Number of Equity Shares at the beginning of the year | 4,65,78,324.00 | 4,75,78,324.00 |
| | Add: Shares issued during the year | - | - |
| | Less : Shares bought back during the year | - | 10,00,000.00 |
| | Total Number of Shares outstanding at the end of the year | 4,65,78,324.00 | 4,65,78,324.00 |
| | Weighted Average number of Equity Shares outstanding during the year | 4,65,78,324.00 | 4,71,97,502.08 |
| | Earnings Per Share - Basic (₹) | 44.82 | 44.61 |
| | Earnings per share - Diluted (₹) | 44.82 | 44.61 |
| | Face value per share (₹) | 2.00 | 2.00 |



Notes to Standalone Financial Statements for the year ended March 31, 2022

35. EMPLOYEE BENEFITS

The company participates in defined contribution and benefit schemes, the funded assets of which are held in separately administered funds. For defined contribution schemes the amount charged to the statements of profit & loss is the total of contributions payable in the year.

a. Defined Contribution Plans

The Company has Defined Contribution Plans for post-employment benefits namely Provident Fund, Superannuation Fund and National Pension Scheme, which are administered by appropriate Authorities.

The Company contributes to a Government administered Provident Fund, Employees' Deposit Linked Insurance Scheme and Employee Pension Scheme, on behalf of its employees and has no further obligation beyond making its contribution.

The Superannuation Fund and National Pension Scheme applicable to certain employees is a Defined Contribution Plan as the Company contributes to these Schemes which are administered by an Insurance Company and has no further obligation beyond making the payment to

the Insurance Company.

The Company contributes to State Plans namely Employees' State Insurance Fund and has no further obligation beyond making the payment to them.

The Company's contributions to the above funds are charged to revenue every year.

The company has recognized an expense of ₹ 405.08 lacs (Previous year ₹ 387.14 lacs) towards the defined contribution plans.

b. Defined Benefit Plans

In accordance with the payment of Gratuity Act, 1972, the Company has a Defined Benefit Plan namely "Gratuity Plan" covering its employees. The Gratuity scheme is funded through Group Gratuity-cum-Life Assurance Scheme and the liability for the Gratuity plan is provided based on an actuarial valuation at the year-end. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

I. Changes in the Present Value of Obligation

(₹ In lacs)

| Particulars | For the year ended | |
|---|--------------------|----------------|
| | 31-Mar-22 | 31-Mar-21 |
| Present Value of Obligation as at the beginning | 1818.22 | 1498.24 |
| Current Service Cost | 201.94 | 135.64 |
| Interest Expense or Cost | 120.83 | 83.84 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | |
| - change in demographic assumptions | 47.90 | 266.71 |
| - change in financial assumptions | (77.09) | 25.85 |
| - experience variance (i.e. Actual experience vs assumptions) | (93.18) | (120.25) |
| Past Service Cost | | |
| Benefits Paid | (190.32) | (71.81) |
| Present Value of Obligation as at the end | 1828.30 | 1818.22 |

II. Changes in the fair value of plan assets

(₹ In lacs)

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | 31-Mar-22 | 31-Mar-21 |
| Fair Value of Plan Assets as at the beginning | 1784.62 | 1001.40 |
| Investment Income | 118.60 | 56.04 |
| Employer's Contribution | 33.60 | 496.86 |
| Benefits Paid | (190.32) | (71.81) |
| Return on plan assets, excluding amount recognized in net interest expense | 68.57 | 302.13 |
| Fair Value of Plan Assets as at the end | 1815.07 | 1784.62 |



Notes to Standalone Financial Statements for the year ended March 31, 2022

The plan assets are managed by the Gratuity trust formed by the company. The management of 100% of the funds is entrusted with the HDFC Life Insurance Company Limited whose pattern of investment is not available with the company.

III. Assets and Liability (Balance Sheet Position)

(₹ In lacs)

| Particulars | As at | |
|----------------------------------|----------------|----------------|
| | 31-Mar-22 | 31-Mar-21 |
| Present Value of Obligation | 1828.30 | 1818.22 |
| Fair Value of Plan Assets | 1815.07 | 1784.62 |
| Surplus / (Deficit) | (13.23) | (33.60) |
| Effects of Asset Ceiling, if any | - | - |
| Net Asset / (Liability) | (13.23) | (33.60) |

IV. Bifurcation of present value of obligation at the end of the year

(₹ In lacs)

| Particulars | As at | |
|------------------------------------|----------------|----------------|
| | 31-Mar-22 | 31-Mar-21 |
| Current Liability (Short term) | 231.80 | 247.20 |
| Non-Current Liability (Long term) | 1596.50 | 1571.02 |
| Present Value of Obligation | 1828.30 | 1818.22 |

V. Expenses Recognized during the period

(₹ In lacs)

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | 31-Mar-22 | 31-Mar-21 |
| In Profit & loss : | | |
| Current Service Cost | 201.95 | 135.64 |
| Net Interest Cost/(Income) on the net defined benefit liability/(Asset) | 2.23 | 27.80 |
| Components of defined benefit costs recognised in profit & loss | 204.18 | 163.44 |
| In Other Comprehensive Income : | | |
| Actuarial (gains)/losses | | |
| -Change in demographic assumptions | 47.90 | 266.71 |
| -Change in financial assumptions | (77.09) | 25.85 |
| -Experience variance (i.e. Actual experience vs assumptions) | (93.19) | (120.25) |
| Return on plan assets, excluding amount recognised in net interest expense | (68.57) | (302.13) |
| Components of defined benefit costs recognised in other comprehensive income | (190.95) | (129.82) |

VI. Actuarial Assumptions

| Particulars | As at | |
|---|-----------|-----------|
| | 31-Mar-22 | 31-Mar-21 |
| Discount rate (per annum) | 7.15% | 6.65% |
| Salary growth rate (per annum) | 11.50% | 11.50% |
| Mortality rate {% of IALM 12-14 (P.Y. 06-08)} | 100.00% | 100.00% |
| Attrition / Withdrawal rate (per annum) | 5.00% | 5.00% |



Notes to Standalone Financial Statements for the year ended March 31, 2022

VII. Sensitivity Analysis

Significant actuarial assumptions for the determination of defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis given below:

(₹ In lacs)

| Particulars | 31-Mar-22 | | 31-Mar-21 | |
|--|-----------|----------|-----------|----------|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / + 1%) | 2005.40 | 1676.72 | 1989.73 | 1671.54 |
| (% change compared to base due to sensitivity) | 9.70% | -8.30% | 9.40% | -8.10% |
| Salary Growth Rate (- / + 1%) | 1682.99 | 1994.15 | 1678.38 | 1977.84 |
| (% change compared to base due to sensitivity) | -7.90% | 9.10% | -7.70% | 8.80% |
| Attrition Rate (- / + 50% of attrition rates) | 1955.88 | 1735.37 | 1951.67 | 1721.54 |
| (% change compared to base due to sensitivity) | 7.00% | -5.10% | 7.30% | -5.30% |
| Mortality Rate (- / + 10% of mortality rates) | 1829.67 | 1826.94 | 1819.52 | 1816.93 |
| (% change compared to base due to sensitivity) | 0.10% | -0.10% | 0.10% | -0.10% |

VIII. Expected Contribution during the next annual reporting period

(₹ In lacs)

| | |
|--|--------|
| The Company's best estimate of Contribution during the next year | 239.59 |
|--|--------|

IX. Maturity profile of defined Benefit obligation

(₹ In lacs)

| Expected cash flows over the next (valued on undiscounted basis): | Amount |
|---|---------|
| 1 year | 231.80 |
| 2 to 5 years | 607.97 |
| 6 to 10 years | 811.54 |
| More than 10 years | 2491.28 |

X. Method and assumption related terms

- Discount Rate:** - Discount rate is the rate which is used to discount future benefit cash flows to determine the present value of the defined benefit obligation at the valuation date. The rate is based on the prevailing market yields of high quality corporate bonds at the valuation date for the expected term of the obligation. In countries where there are no such bonds, the market yields at the valuation date on government bonds for the expected term is used.
- Salary escalation Rate:** - The rate at which salaries are expected to escalate in future. It is used to determine the benefit based on salary at the date of separation.
- Attrition Rate:** - The reduction in staff/employees of a company through normal means, such as retirement and resignation. This is natural in any business and industry.
- Mortality Rate:** - Mortality rate is a measure of the number of deaths (in general, or due to a specific cause) in a population, scaled to the size of that population, per unit of time.
- Projected Unit credit method:** - The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The Projected Unit Credit Method requires an enterprise to attribute benefit to the current period (in order to determine current service cost) and the current and prior periods (in order to determine the present value of defined benefit obligations).

c. Other Long term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in statement of profit and loss.

The company has recognized an expense of ₹ 172.47 lacs (Previous year ₹ 226.38 lacs) towards the compensated absences



Notes to Standalone Financial Statements for the year ended March 31, 2022

36. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In lacs)

| S.No. | Particular | As at March 31, 2022 | As at March 31, 2021 |
|-----------|---|-------------------------|-------------------------|
| I | Contingent Liabilities | | |
| a. | Claims against the company not acknowledged as debt* | | |
| | -Income Tax | 490.86 | 168.64 |
| | -Excise Duty (Net of Expenses recognized of Rs. 70.70 lacs) | 637.81 | 637.81 |
| | -Service Tax (Net of Expenses recognized of Rs. 65.20 lacs) | 111.05 | 111.05 |
| | -Sales Tax | 138.15 | 138.15 |
| | -Goods and Service Tax | 7.54 | 0.00 |
| | -Litigation pending in consumer forum | 124.51 | 99.91 |
| | -Other** | 2980.00 | 2980.00 |
| b. | Guarantees excluding financial guarantees | | |
| | -Bank Guarantees | 8.00 | 5.00 |
| c. | Other money for which the company is contingently liable | | |
| | -'C' forms pending against central sales tax | 0.01 | 0.01 |
| d. | There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. Due to pending decision on the subject review petition and directions from EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts. | | |
| II | Commitments | | |
| | -Estimated amount of contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 443.85 lacs (March 31, 2021 : ₹ 43.45 lacs)} | 2070.89 | 224.32 |

* Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above as it is determinable only on receipt of the judgements/ decisions pending with various forums/ authorities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The company also believes that the above issues, when finally settled are not likely to have any significant impact on the financial position of the Company.

** Company has received Refund of Terminal Excise Duty (TED) during FY 2015-16 & FY 2016-17 from Director General of Foreign Trade (DGFT). In November-2019, company has received show cause notice from DGFT for recovery of erroneous payment of Terminal Excise Duty. Against this notice, company has filed writ before Gujarat High Court and the court has stayed the recovery of the notice. As on now the matter is pending before Gujarat High Court.

37. LEASES

The Company's lease asset primarily consist of leases for offices, warehouses and Vehicles having the various lease terms. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the cumulative effect of initially applying the standard recognised at the date of initial application, with right-of-use asset recognised at an amount equal to the lease liability, adjusted by the prepaid lease rent

The adoption of Ind AS 116 did not have any material impact on Statement of profit and loss and earnings per share.

Presentational changes:

The first-time application of Ind AS 116 as of April 1, 2019, resulted in the recognition of lease liabilities and Right-of-use assets adjusted by the amount of prepaid lease Rental.

In the Statement of Profit and Loss, the Company recognised the depreciation of the right-of-use assets and the interest expense for the lease liabilities under Ind AS 116 instead of Rent expenses for operating leases in Other Operating Expenses as per Ind AS 17.

In the Statement of Cash Flows, Ind AS 116 had a positive effect on the operating cash flow by reducing cash outflows from operating activities, while the repayment component of lease payments and the interest expense are recognised in cash outflows from financing activities.



Notes to Standalone Financial Statements for the year ended March 31, 2022

a. Right of Use

Following is carrying value of right of use assets and the movements thereof during the year ended are as under:-

(₹ In lacs)

| Particulars | As at | |
|---|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Opening Balance | 4039.95 | 611.64 |
| Additions during the Year | 224.05 | 3910.11 |
| Depreciation Charge | (559.27) | (480.93) |
| Early cancellation/Modification of lease | (776.06) | (0.87) |
| Carrying amount at the end of the year | 2928.67 | 4039.95 |

b. Lease Liability

The following is the carrying value of lease liability and movement thereof during the year ended are as under:

(₹ In lacs)

| Particulars | As at | |
|---|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Opening Balance | 4007.15 | 489.02 |
| -Additions during the Year | 221.11 | 3867.94 |
| -Finance Cost accrued during the year | 303.52 | 201.66 |
| -Cash outflow/payment of Lease liability | (665.81) | (550.52) |
| -Early cancellation/Modification of lease | (781.55) | (0.95) |
| Carrying amount at the end of the year | 3084.42 | 4007.15 |

- c. The company has elected Para 6 of Ind AS-116 for short-term leases & recognised lease expense of ₹ 58.50 lacs (Previous Year ₹ 241.59 lacs) associated with these lease.
- d. The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.
- e. The Maturity analysis of lease liabilities are disclosed in Note 42(b)

38. SEGMENT INFORMATION

The company has evaluated the applicability of segment reporting and has concluded that the company has only one primary business segment i.e. Agro Chemicals and one geographical reportable segment i.e. Operations mainly within India. The overall performance is reviewed by the Chairman, Managing Director, COO and CFO, which has been identified as the CODM (Chief operating decision makers) by the Company.

Thus the segment revenue, expenses, results, assets and liabilities are same as reflected in the financial statements as at and for the year ended 31 March, 2022.

39. RELATED PARTY DISCLOSURES

a. Nature of Related Party Relationship

I. Subsidiaries

- a.) Dhanuka Agri-Solutions Pvt. Limited Wholly owned Subsidiary
- b.) Dhanuka Chemicals Pvt. Limited Wholly owned Subsidiary
(W.e.f. 21st June, 2021)

II. Key Management personnel

- a.) Sh. Ram Gopal Agarwal Chairman
- b.) Sh. Mahendra Kumar Dhanuka Managing Director
- c.) Sh. Arun Kumar Dhanuka Executive Director



Notes to Standalone Financial Statements for the year ended March 31, 2022

| | |
|-------------------------------|---|
| d.) Sh. Rahul Dhanuka | Chief Operating Officer (w.e.f 21st May, 2021) and Executive Director |
| e.) Sh. Mridul Dhanuka | Executive Director (Till 28th June, 2020) |
| f.) Sh. Mridul Dhanuka | Non-Executive Director (W.e.f. 29th June, 2020) |
| g.) Sh. Harsh Dhanuka | Executive Director |
| h.) Sh. Ashish Saraf | Executive Director |
| i.) Sh. Priya Brat | Independent Non-Executive Director |
| j.) Sh. Vinod Kumar Jain | Independent Non-Executive Director |
| k.) Sh. Indresh Narain | Independent Non-Executive Director (Till 21st May, 2020) |
| l.) Sh. Sachin Kumar Bhartiya | Independent Non-Executive Director |
| m.) Sh. Sanjay Saxena | Independent Non-Executive Director |
| n.) Sh. Siraj Azmat Chaudhry | Independent Non-Executive Director (W.e.f. 22nd July, 2020) |
| o.) Sh. Bajrang Lal Bajaj | Independent Non-Executive Director |
| p.) Smt. Namrata Gupta | Independent Non-Executive Director |
| q.) Sh. Vinod Kumar Bansal | Chief Financial Officer |
| r.) Sh. Jitin Sadana | Company Secretary |

III. Relatives of Key Management Personnel with whom transactions have taken place

| | |
|------------------------------|------------------------------------|
| a.) Smt. Megha Dhanuka | Wife of Sh. Mridul Dhanuka |
| b.) Smt. Akangsha Dhanuka | Wife of Sh. Harsh Dhanuka |
| c.) Smt. Madhuri Dhanuka | Wife of Sh. Rahul Dhanuka |
| d.) Smt. Uma Dhanuka | Wife of Sh. Mahendra Kumar Dhanuka |
| e.) Smt. Mamta Dhanuka | Wife of Sh. Arun Kumar Dhanuka |
| f.) Smt. Urmila Dhanuka | Wife of Sh. Ram Gopal Agarwal |
| g.) Sh. Arjun Dhanuka | Son of Sh. Arun Kumar Dhanuka |
| h.) Sh. Satya Narain Agarwal | Brother of Sh. Ram Gopal Agarwal |
| i.) Sh. Manish Dhanuka | Brother of Sh. Arun Kumar Dhanuka |

IV. Entities controlled by KMP/Relative of KMP, with whom transactions have taken place

| |
|---|
| a.) Dhanuka Marketing Company |
| b.) Mridul Dhanuka HUF |
| c.) Dhanuka Private Limited |
| d.) Dhanuka Laboratories Limited |
| e.) Chiranji Lal Dhanuka Charitable Trust |
| f.) Triveni Trust |
| g.) Sikkim Agro Industries Limited |
| h.) Golden Overseas Pvt. Limited |
| i.) M.D. Buildtech Pvt. Limited |
| j.) H.D. Realtors Pvt. Limited |
| k.) Dhanuka Infotech Pvt. Limited |
| l.) Otsuka Chemical (India) Pvt. Limited |
| m.) IKO Overseas |
| n.) Synmedic Laboratories |
| o.) Synmedic Laboratories Pvt. Ltd. |
| p.) Mahendra Kumar Dhanuka HUF |
| q.) Pushpa Dhanuka Trust |



Notes to Standalone Financial Statements for the year ended March 31, 2022

b. The following transactions were carried out with related parties in the ordinary course of business:

(₹ In lacs)

| Transaction type | Type of Relation | 2021-22 | | | 2020-21 | | |
|---|------------------|-------------------------------|-----------------|------------------------------|-------------------------------|-----------------|------------------------------|
| | | Transaction during the period | | | Transaction during the period | | |
| | | Pur./ Amt Recd. | Sales/ Amt Paid | Balance outstanding Dr.(Cr.) | Pur./ Amt Recd. | Sales/ Amt Paid | Balance outstanding Dr.(Cr.) |
| Compensation to KMP | | | | | | | |
| Short term employee benefits | a(II) | - | 2840.11 | - | - | 2892.36 | - |
| Post-employment benefits* | | - | 46.00 | - | - | 49.69 | - |
| Sitting Fee to Independent Non-Executive Directors. | | - | 23.55 | - | - | 15.20 | - |
| Total | | - | 2909.66 | (311.41) | - | 2957.25 | (1149.35) |
| Other Transactions | | | | | | | |
| Sale of Goods | a(IV)d | - | - | - | - | 1.46 | - |
| Purchase of Goods | a(IV)d | 63.10 | - | (34.12) | - | - | - |
| Services Rendered-Rent | a(IV) | - | 2.22 | 1.27 | - | 2.40 | - |
| Services Received-Rent | a(III) & a(IV) | 488.38 | - | - | 370.61 | - | - |
| Security Deposit Given | a(IV)c | - | - | - | - | 20.00 | - |
| Loans Given to Subsidiary company# | a(I)a | - | 1.86 | 13.42 | - | - | 11.56 |
| Investment in Subsidiary company | a(I) | - | 1.00 | 1.09 | - | - | 0.09 |
| Loans Given/Repayment Received | a(IV)d | 5000.00 | 1100.00 | - | 500.00 | 1900.00 | 3900.00 |
| Interest on Loan | a(IV)d | 101.81 | - | - | 311.48 | - | - |
| Travel/Other expenses | a(IV)a | - | 4.89 | (5.57) | - | 7.52 | (6.12) |
| Contribution towards CSR | a(IV)e | - | 233.57** | - | - | 130.00** | - |
| Services Received-C&F Commission | a(IV)a | 611.88 | - | (191.67) | 597.89 | - | (683.08) |
| Buy Back of Equity Shares | a(II) | - | - | - | - | 165.22 | - |
| Buy Back of Equity Shares | a(III) | - | - | - | - | 80.11 | - |
| Buy Back of Equity Shares | a(IV) | - | - | - | - | 6410.93 | - |

Note - Figures are shown net of GST, wherever applicable.

* The above post-employment benefits exclude gratuity which cannot be separately identified from the composite amount advised by the actuary.

** Out of total amount, payment amounting to Rs. 228.57 Lakhs (Previous year ₹ 130.00 lacs) has been made to M/s Kalptaru Real Estate for construction of school building which is in the name of M/s Chiranji Lal Dhanuka Charitable Trust.

Dhanuka Agri-Solutions Pvt. Ltd., Wholly Owned Subsidiary of Dhanuka Agritech Ltd. was incorporated on 17th July, 2011 and operations have not yet been started. Further the Board of Directors of Dhanuka Agritech Limited in its meeting held on 02nd February, 2021 has approved the dissolution/ liquidation of this wholly owned subsidiary. So this amount is not recoverable and accordingly provision for the same amount has been made in this financial year.

c. Terms and conditions of transactions with related parties

All the transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The company has not recorded any impairment of receivables relating to amounts owed by related parties except as mentioned above for the year ended March 31, 2022 and March 31, 2021.

40. THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT,2006

The information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company:



Notes to Standalone Financial Statements for the year ended March 31, 2022

40. THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

The information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company:

| (₹ In lacs) | | | |
|-------------|---|-------------------------|-------------------------|
| S. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
| 1.) | Principal amount and Interest due thereon remaining unpaid to any supplier covered under MSMED Act as on 31st March | | |
| | Principal | 1,072.14 | 605.78 |
| | Interest | 0.04 | 0.02 |
| 2.) | Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year | - | - |
| 3.) | The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | - | - |
| 4.) | The amount of interest accrued and remaining unpaid at the end of each accounting year. | 13.65 | 13.61 |
| 5.) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act. | - | - |

41. FINANCIAL INSTRUMENTS

I. Financial Assets-Fair values

(₹ In lacs)

| Particulars | Fair Value Hierarchy | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|-------------------------|-------------------------|
| 1. Financial assets designated at fair value through profit and loss | | | |
| a) Investment | | | |
| i) In Equity Instruments | Level-1 | 11909.47 | 8054.55 |
| ii) In Equity Instruments | Level-2 | - | 238.70 |
| iii) In Preference Shares | Level-1 | - | 568.27 |
| iv) In Preference Shares | Level-2 | 2000.54 | - |
| v) In mutual funds | Level-1 | 10237.43 | 11791.44 |
| vi) In Debentures or Bond | Level-1 | 5334.68 | 3725.50 |
| vii) In Debt Instruments | Level-2 | 224.25 | 381.20 |
| 2. Financial assets designated at amortized cost | | | |
| a) Investment | | | |
| i) In Debentures or Bond* | | 3882.30 | 3037.97 |
| b) Trade receivables | | 28249.16 | 24266.38 |
| c) Cash & Cash Equivalents | | 147.60 | 61.31 |
| d) Other bank balances | | 95.09 | 87.03 |
| e) Loans | | 83.42 | 3991.42 |
| f) Other Financial Assets | | 9486.37 | 5469.97 |
| 3. Investment in subsidiary companies at cost | | 1.09 | 0.09 |

* Net of Provision for Doubtful Debts ₹ 315.14 lacs (March 31, 2021 : ₹ 219.00 lacs)



Notes to Standalone Financial Statements for the year ended March 31, 2022

II. Financial Liabilities-Fair Value

(₹ In lacs)

| Particulars | Fair Value Hierarchy | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|----------------------|
| 1. Financial liability designated at amortized cost | | | |
| a) Borrowings | | 96.24 | 835.84 |
| b) Trade Payables | | | |
| -Total Outstanding dues of Micro Enterprises and Small Enterprises | | 1085.79 | 619.39 |
| -Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | | 16385.96 | 10243.47 |
| c) Lease Liability | | 3084.42 | 4007.15 |
| d) Other Financial Liability | | 10517.13 | 11423.65 |

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The carrying amounts of cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, Short term loans, trade payables, short term borrowings and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature. Fair value for security deposits (other than perpetual security deposits) has been presented in the above table. Fair value for all other non-current financial assets and liabilities is equivalent to the amortized cost, interest rate on them is equivalent to the market rate of interest.

III. Fair Value hierarchy

Level 1 - This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

IV. Valuation techniques used to determine fair value

Level 1 - Financial assets categorized in Level 1, are fair valued based on market data as at reporting date.

Level 2 - The fair valuation of investments categorized in Level 2 has been determined on the basis of independent valuation done by respective funds.

42. FINANCIAL RISK MANAGEMENT

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The company's board of directors has the overall responsibility for the management of these risks. The company has the risk management policies and systems in place and are reviewed regularly to reflect changes in market conditions and the company's activities. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The company's audit committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of risk management framework in relation to the risks faced by the company.

a.) Credit Risk

Credit Risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company. Credit risk arises from the operating activities primarily from trade receivables and from its financing activities including cash and cash equivalents, deposits with banks, Investments and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure and is as follows:



Notes to Standalone Financial Statements for the year ended March 31, 2022

Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. The company has established a credit policy under which each customer is analyzed individually for creditworthiness before the company's credit terms are offered. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. Credit limits are established for each customer and reviewed periodically. Any sales order exceeding those limits require approval from the appropriate authority. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 - Financial Instruments for recognition of impairment loss allowance. The company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience. These loss rates are adjusted by considering the available, reasonable and supportive forward looking information.

The ageing of Trade Receivables and allowances for doubtful debts are given below:

(₹ In lacs)

| Ageing | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Ageing of Gross Carrying Amount | | |
| Not due | 22977.59 | 20587.58 |
| 0-90 | 4581.30 | 2991.98 |
| 91-180 | 450.92 | 353.41 |
| 181-270 | 60.65 | 78.41 |
| 271-360 | 45.64 | 22.02 |
| Above 360 Days | 686.45 | 696.64 |
| Gross Carrying Amount | 28802.55 | 24730.04 |
| Expected credit losses (Loss allowance provision) | 553.39 | 463.66 |
| Net Carrying Amount | 28249.16 | 24266.38 |

Reconciliation of allowance for lifetime expected credit loss on customer balances:

(₹ In lacs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------|-------------------------|-------------------------|
| Opening Balance | 463.66 | 463.66 |
| Changes in loss allowance | 89.73 | - |
| Closing balance | 553.39 | 463.66 |

Loans to Corporates and others

ECL for loans to corporates and others is measured considering 12 months ECL. The company provides ECL based on following provision matrix:

(₹ In lacs)

| Credit Risk Category | As at March 31, 2022 | | As at March 31, 2021 | |
|--|-------------------------|---------------|-------------------------|---------------|
| | Gross | ECL | Gross | ECL |
| There is no risk of defaults | - | - | 3900.00 | - |
| There is risk of Defaults | 450.00 | 450.00 | 450.00 | 450.00 |
| There is no reasonable expectation of recovery | 195.71 | 195.71 | 195.71 | 195.71 |
| Closing Balance | 645.71 | 645.71 | 4545.71 | 645.71 |

Following is the movements in provision for ECL on loans to corporates and others:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------|-------------------------|-------------------------|
| Opening Balance | 645.71 | 295.71 |
| Changes in loss allowance | - | 350.00 |
| Closing balance | 645.71 | 645.71 |



Notes to Standalone Financial Statements for the year ended March 31, 2022

Security Deposit

ECL for Security Deposit is measured considering 12 months ECL. The company provides ECL based on following provision matrix:

(₹ In lacs)

| Credit Risk Category | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|--------------|----------------------|-------------|
| | Gross | ECL | Gross | ECL |
| There is no risk of defaults | 360.25 | - | 441.90 | - |
| There is risk of Defaults | 33.29 | 33.29 | - | - |
| There is no reasonable expectation of recovery | 1.50 | 1.50 | 1.50 | 1.50 |
| Closing Balance | 395.04 | 34.79 | 443.40 | 1.50 |

Following is the movements in provision for ECL on Security Deposit:

(₹ In lacs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------|----------------------|----------------------|
| Opening Balance | 1.50 | - |
| Changes in loss allowance | 33.29 | 1.50 |
| Closing balance | 34.79 | 1.50 |

Investment in Real Estate Funds

The company provides ECL based on following provision matrix:

(₹ In lacs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|---------------|----------------------|---------------|
| | Gross | ECL | Gross | ECL |
| There is risk of Defaults | 630.28 | 315.14 | 689.81 | 219.00 |
| There is no reasonable expectation of recovery | - | - | - | - |
| Closing Balance | 630.28 | 315.14 | 689.81 | 219.00 |

Financial assets other than Trade Receivables, Loans to corporate & others, Security Deposit and Investment in Real Estate Funds.

Credit risks from financial transactions are managed independently by finance department. For banks and financial institutions, the company has policies and operating guidelines in place to ensure that financial instrument transactions are only entered into with high credit rated banks and financial institutions. The company had no other financial instrument that represent a significant concentration of credit risk. So there is no impairment in these financial assets.

b.) Liquidity Risk

Liquidity risks result from the possible inability of the company to meet current or future payment obligations due to lack of cash or cash equivalents. The liquidity risk is assessed and managed by the finance department as a part of day to day and medium term liquidity planning.

The company holds sufficient liquidity to ensure the fulfillment of all planned payment obligations at maturity. The company's liquidity risk policy is to maintain sufficient liquidity reserve at all times based on cash flow projections to meet payment obligation when it falls due. The primary source of liquidity is cash generated from operations.

Liquid assets are held mainly in the form of bank deposits and mutual fund investments. The company maintain flexibility in funding by maintaining availability under cash credit lines set up with banks.

The table below analyze the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities essential for an understanding of timing of cash flows.



Notes to Standalone Financial Statements for the year ended March 31, 2022

| Particulars | Total | Less than 1 year | 1-5 years | More than 5 years |
|---|----------|------------------|-----------|-------------------|
| As at March 31, 2022 | | | | |
| Borrowings (Current) | 96.24 | 96.24 | - | - |
| Trade Payables | | | | |
| -Total Outstanding dues of Micro Enterprises and Small Enterprises | 1085.79 | 1085.79 | - | - |
| -Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 16385.96 | 16385.96 | - | - |
| Security Received from customers | 1425.13 | - | - | 1425.13 |
| Unclaimed Dividend | 95.09 | 95.09 | - | - |
| Capital Creditors | 485.70 | 485.70 | - | - |
| Lease Liability | 3084.42 | 349.06 | 1755.22 | 980.14 |
| Other payable | 8511.21 | 8511.21 | - | - |
| As at March 31, 2021 | | | | |
| Borrowings (Current) | 835.84 | 835.84 | - | - |
| Trade Payables | | | | |
| -Total Outstanding dues of Micro Enterprises and Small Enterprises | 619.39 | 619.39 | - | - |
| -Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 10243.47 | 10243.47 | - | - |
| Security Received from customers | 1339.66 | - | - | 1339.66 |
| Unclaimed Dividend | 87.03 | 87.03 | - | - |
| Capital Creditors | 29.59 | 29.59 | - | - |
| Lease Liability | 4007.15 | 377.86 | 1381.23 | 2248.06 |
| Other payable | 9967.37 | 9967.37 | - | - |

c.) Market Risk

i. Currency Risk

Foreign currency risks for the company is from changes in exchange rates and the related changes in the value of financial instruments in the functional currency (INR). The company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar. The company's exposure to changes in foreign currency other than USD is not material.

To mitigate the currency fluctuation, receivables and payables in foreign currencies which arises from export and import of goods are hedged through forward exchange contracts.

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--------------------------|----------------------|---------------|----------------------|---------------|
| | (₹ in lacs) | (FCY in lacs) | (₹ in lacs) | (FCY in lacs) |
| Amount Receivable | | | | |
| USD | 163.05 | 2.15 | 26.00 | 0.35 |
| Amount Payable | | | | |
| USD | 5256.66 | 69.34 | 1741.52 | 23.81 |
| EURO | 116.41 | 1.38 | 47.35 | 0.55 |



Notes to Standalone Financial Statements for the year ended March 31, 2022

Sensitivities were determined on the basis of a scenario in which the INR appreciated/depreciated by 5% against USD compared with the year-end exchange rates. In this scenario, the estimated hypothetical (loss)/gain of cash flows from financial instruments have been tabulated below:

(₹ In lacs)

| Particulars (USD Impact on profit before tax and total equity) | As at March 31,2022 | As at March 31,2021 |
|---|------------------------|------------------------|
| Increase in exchange rate by 5% | (254.68) | (85.78) |
| Decrease in exchange rate by 5% | 254.68 | 85.78 |

(₹ In lacs)

| Particulars (EURO Impact on profit before tax and total equity) | As at March 31,2022 | As at March 31,2021 |
|--|------------------------|------------------------|
| Increase in exchange rate by 5% | (5.82) | (2.37) |
| Decrease in exchange rate by 5% | 5.82 | 2.37 |

Note: This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Company at the end of the reporting period. The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has surplus cash position and does not have any major borrowings as on balance sheet date. So there is no material interest risk relating to the company's financial liabilities.

iii. Price Risk

The company is mainly exposed to the price risk due to its investment in mutual funds and classified in the balance sheet as fair value through profit and loss. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

There is no material equity risk relating to the company's equity investments which are detailed in note 7. The company's equity investments majorly comprise of strategic investments rather than trading purposes.

43. CAPITAL MANAGEMENT

The company manages its capital to ensure that the company will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance. Further its objective is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development.

The company manages capital using gearing ratio, which is total debt divided by total equity. The gearing at the end of the reporting period was as follows:

| Particulars | As at March 31,2022 | As at March 31,2021 |
|-----------------------------------|------------------------|------------------------|
| Borrowings (Non-Current) | - | - |
| Borrowings (Current) | 96.24 | 835.84 |
| Gross Debt | 96.24 | 835.84 |
| Less : Cash & Cash equivalents | 147.60 | 61.31 |
| Net Debt (a) | (51.36) | 774.53 |
| Total Equity (b) | 96041.99 | 79630.65 |
| Debt to Equity Ratio (a/b) | (0.00) | 0.01 |

44. DISCLOSURE AS PER SECTION 186(4) OF THE COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186(4) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- Details of Investments made are given in Note 7.
- Details of loans given by the Company are as follows:



Notes to Standalone Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| Name of Entity | Purpose | Amount As at March 31,2022 | Amount As at March 31,2021 |
|-------------------------------------|----------|----------------------------|----------------------------|
| Dhanuka Laboratories Limited | Business | - | 3900.00 |
| Iworld Business Solutions Pvt. Ltd. | Business | 300.00 | 300.00 |
| Prayag Polytech Pvt. Ltd. | Business | 195.71* | 195.71* |
| Tript Singh | Business | 100.00 | 100.00 |
| Sameer Kanwar | Business | 50.00 | 50.00 |

*Including interest accrued thereon.

c. There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

45. DISCLOSURE AS PER REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS

| Particulars | Amount As at March 31,2022 | Amount As at March 31,2021 | Maximum balance outstanding during the year 31.03.2022 | Maximum balance outstanding during the year 31.03.2021 |
|--|----------------------------|----------------------------|--|--|
| Loan to company in which Directors are interested | - | 3900.00 | 5000.00 | 4400.00 |
| Dhanuka Laboratories Limited | | | | |

46. Ratios Analysis

| Ratio | Numerator | Denominator | As at March 31, 2022 | As at March 31, 2021 | % Change | Reason for variance |
|----------------------------------|---|---|----------------------|----------------------|----------|--|
| Current Ratio | Current Assets | Current Liabilities | 3.14 | 3.11 | 0.81% | NA |
| Debt-Equity Ratio | Borrowing (Current + Non Current)+ Lease Liability (Current + Non Current) | Shareholder's Equity | 0.03 | 0.06 | -45.55% | Due to Revision in Lease Terms and lower usage of CC/OD Limit |
| Debt Service Coverage Ratio | Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of property, plant and equipment etc. | Debt service = Interest & Lease Payments + Principal Repayments | 32.62 | 35.61 | -8.38% | NA |
| Return on Equity Ratio | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 23.77% | 28.00% | -15.11% | NA |
| Inventory turnover ratio | Cost of goods sold | Average Inventory | 2.92 | 3.17 | -7.70% | NA |
| Trade Receivables turnover ratio | Net Credit Sales | Average Accounts Receivable | 5.63 | 5.72 | -1.62% | NA |
| Trade payables turnover ratio | Net Credit Purchase | Average Trade Payables | 5.96 | 6.92 | -13.90% | NA |
| Net capital turnover ratio | Net Sales | Working Capital | 2.27 | 2.38 | -4.61% | NA |
| Net profit ratio | Net Profit (After Tax) | Net Sales | 14.13% | 15.18% | -6.90% | NA |
| Return on Capital employed | Earning before interest and taxes | Tangible Net worth + Total Debt+ Deferred Tax liability | 28.17% | 33.80% | -16.63% | NA |
| Return on investment | Income Generated from Invested Funds | Average Investments excluding Investment in Subsidiary | 5.35% | 7.44% | -28.10% | In Current Year, low Investment in high yielding instruments as compare to Last Year |



Notes to Standalone Financial Statements for the year ended March 31, 2022

47. Recent Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 - Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements

Ind AS 16 - Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements. The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements

Ind AS 37 - Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The

amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 - Annual Improvements to Ind AS

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements

Ind AS 116 - Annual Improvements to Ind AS

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

48. Other Statutory Information

- a.) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- b.) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- c.) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- d.) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - I. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - II. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- e.) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - I. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by



Notes to Standalone Financial Statements for the year ended March 31, 2022

- or on behalf of the Funding Party (Ultimate Beneficiaries) or
- II. provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- f.) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- g.) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- h.) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- i.) The company do not have any transactions with companies stuck off.
- j.) The company have not been declared willful defaulter by any banks or any other financial institution at any time during the financial year.
- k.) The company has utilized the borrowings from banks & financial institutions for specific purpose for which it was taken during the year.
- l.) The company has been sanctioned working capital limit in excess of Rs. five crore in aggregate, at any point of time during the year from bank on the basis of security of current assets. The quarterly return/statement filed by company with the banks are in agreement with the books of account of the company of the respective quarters.

49. Subsequent Event

- a.) The Board of Directors have recommended Final Dividend of 300% i.e. Rs. 6.00 per equity share for the financial year 2021-22, subject to the approval of the Shareholders of the company in the ensuing Annual General Meeting.

50. Previous year figures have been regrouped/reclassified, wherever necessary. However, impact of these reclassifications, if any, are not material.

As per our report of even date attached

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

Sd/-
YOGESH K GUPTA
Partner
Membership No : 093214
Place : New Delhi
Dated : 23rd May, 2022

For and on behalf of the Board of Directors

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

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

Sd/-
RAHUL DHANUKA
Chief Operating Officer
DIN : 00150140

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

Place : Gurugram
Dated : 23rd May, 2022



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DHANUKA AGRITECH LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **DHANUKA AGRITECH LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise of the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements of the subsidiary as referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022 and of consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provision of the Act. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated 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. We have considered the matters described below to be the key audit matters for incorporation in our report.

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



Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements, the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to

continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design 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 group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a

going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we

determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- i. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 0.81 lacs as at 31 March 2022 and total revenue (including other income) of Rs. Nil, total comprehensive income (comprising of profit/(loss) and other comprehensive income) of Rs. (0.30) lacs and net cash inflow of Rs. 0.81 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary company and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary company, is based solely on the report of other auditor.
- ii. We did not audit the financial statements of one subsidiary, incorporated outside India, whose financial statements reflect total assets of Rs. 0.07 lacs as at 31 March 2022 and total revenue (including other income) of Rs. Nil, total comprehensive income (comprising of profit/(loss) and other comprehensive income) of Rs. (1.85) lacs and net cash outflow of Rs. 0.01 lacs for the year ended on that date, as considered in the consolidated financial statements. These Financial Statements are unaudited and have been furnished to us by the management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary, and our Report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the unaudited Financial Statements certified by the management.

In our opinion and according to the information and explanations given to us by the Management, these Financial Statements as mentioned in (i) and (ii) above are not material to the Group

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 financial statements/information certified by the management.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government



in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us and other auditor of subsidiary company incorporated in India, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

2. As required by Section 143(3) of the Act, based on our audit and on consideration of the report of the other auditors on financial statements and the other financial information of subsidiaries referred to in Other Matters paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law, relating to preparation of the aforesaid consolidated financial statements, have been kept so far as it appears from our examination of those books and 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) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group, is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding company and subsidiary company incorporated in India, and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding company and its

subsidiary company incorporated in India, where applicable, to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 consideration of the report of the other auditors on financial statements and also the other financial information of subsidiaries referred to in Other Matters paragraph:

- i. The consolidated financial statements disclose impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group – Refer Note no.36 to the consolidated financial statements.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. In respect of Holding company, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund during the year ended 31 March 2022. In respect of other companies included in the group incorporated in India, there were no amounts which were required to be transferred, to the Investor Education and Protection Fund.
- iv. a. The respective managements of the Holding Company and its subsidiary Companies incorporated in India have represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the holding company and its subsidiary to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the holding company and its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b. The respective management of the Holding Company and its Subsidiary Company incorporated in India has represented, that, to the best of its knowledge and belief, no funds have been received by the holding company and its subsidiary from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or



- otherwise, that the holding company of the Holding Company and its Subsidiary Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances and based on audit reports of other auditors, nothing has come to our notice that caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 15 to the Consolidated Financial Statements and based on review of the report of other auditor and financial statements of the subsidiary company incorporated in India:
- i. The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
- ii. The interim dividend declared and paid by the Holding Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- iii. The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants
Firm Registration No. 000756N

Sd/-
Yogesh K. Gupta
Partner
Membership No. 093214
UDIN: 22093214AJKMRZ9962

Place: New Delhi
Date: May 23, 2022



Consolidated Balance Sheet as at March 31, 2022

(₹ In lacs)

| | Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|-----------|---|----------|----------------------|----------------------|
| I | Assets | | | |
| 1 | Non-current assets | | | |
| a | Property, Plant and Equipment | 4 | 15,712.35 | 16,501.18 |
| b | Capital work in progress | 5 | 4,834.72 | 759.40 |
| c | Other Intangible assets | 6 | 154.63 | 192.92 |
| d | Financial Assets | | | |
| | i) Investments | 7 | 13,982.35 | 9,029.63 |
| | ii) Loans | 8 | 10.72 | 11.40 |
| | iii) Other financial assets | 9 | 439.21 | 388.82 |
| e | Other non-current assets | 13 | 616.64 | 391.56 |
| | Total Non-Current assets | | 35,750.62 | 27,274.91 |
| 2 | Current assets | | | |
| a | Inventories | 10 | 34,718.41 | 29,550.34 |
| b | Financial Assets | | | |
| | i) Investments | 7 | 19,606.32 | 18,768.00 |
| | ii) Trade receivables | 11 | 28,249.16 | 24,266.38 |
| | iii) Cash and cash equivalents | 12 | 148.48 | 61.38 |
| | iv) Bank balances other than (iii) above | 12 | 95.09 | 87.03 |
| | v) Loans | 8 | 72.70 | 3,968.46 |
| | vi) Other financial assets | 9 | 9,047.16 | 5,081.15 |
| c | Other current assets | 13 | 3,530.71 | 4,044.85 |
| | Total Current assets | | 95,468.03 | 85,827.59 |
| | Total Assets | | 1,31,218.65 | 1,13,102.50 |
| II | EQUITY AND LIABILITIES | | | |
| 1 | Equity | | | |
| a | Equity Share Capital | 14 | 931.57 | 931.57 |
| b | Other Equity | 15 | 95,110.00 | 78,687.40 |
| | Total equity | | 96,041.57 | 79,618.97 |
| | LIABILITIES | | | |
| 2 | Non-current Liabilities | | | |
| a | Financial Liabilities | | | |
| | i) Lease Liability | | 2,735.36 | 3,629.29 |
| | ii) Other financial Liabilities | 18 | 1,425.13 | 1,339.66 |
| b | Provisions | 19 | 23.80 | 100.12 |
| c | Deferred tax Liabilities (Net) | 20 | 556.20 | 829.47 |
| | Total non-current Liabilities | | 4,740.49 | 5,898.54 |
| 3 | Current Liabilities | | | |
| a | Financial Liabilities | | | |
| | i) Borrowings | 16 | 96.24 | 835.84 |
| | ii) Lease Liability | | 349.06 | 377.86 |
| | iii) Trade payables | 17 | | |
| | -Total Outstanding dues of Micro Enterprises and Small Enterprises | | 1,085.79 | 619.39 |
| | -Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | | 16,385.96 | 10,243.47 |
| | iv) Other financial liabilities | 18 | 9,092.21 | 10,084.09 |
| b | Other current liabilities | 21 | 2,298.90 | 4,818.37 |
| c | Provisions | 19 | - | 24.71 |
| d | Current Tax Liabilities (Net) | 22 | 1,128.43 | 581.26 |
| | Total current liabilities | | 30,436.59 | 27,584.99 |
| | Total Equity and Liabilities | | 1,31,218.65 | 1,13,102.50 |
| | Accompanying notes form an integral part of the financial statements | 1 to 51 | | |

As per our report of even date attached

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

Sd/-
YOGESH K GUPTA
Partner
Membership No : 093214

Place : New Delhi
Dated : 23rd May, 2022

For and on behalf of the Board of Directors

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

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

Place : Gurugram
Dated : 23rd May, 2022

Sd/-
RAHUL DHANUKA
Chief Operating Officer
DIN : 00150140

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



Consolidated Statement of Profit & Loss for the year ended March 31, 2022

(₹ In lacs)

| | Particulars | Note No. | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|------|---|----------|-----------------------------------|-----------------------------------|
| I | Revenue from Operations | 23 | 1,47,777.52 | 1,38,746.87 |
| II | Other Income | 24 | 3,358.70 | 3,370.27 |
| III | Total Revenue (I+II) | | 1,51,136.22 | 1,42,117.14 |
| IV | EXPENSES | | | |
| | Cost of materials consumed | 25 | 80,384.94 | 75,710.06 |
| | Purchase of Stock In Trade | 26 | 14,614.42 | 14,120.65 |
| | Changes in inventories of finished goods, Stock-in -Trade and work-in-progress | 27 | (1,090.62) | (3,499.59) |
| | Employee Benefit Expenses | 28 | 12,050.28 | 11,826.69 |
| | Finance Costs | 29 | 320.27 | 269.38 |
| | Depreciation and Amortization Expense | 30 | 1,627.75 | 1,518.00 |
| | Other Expenses | 31 | 15,469.65 | 13,678.31 |
| | Total Expenses | | 1,23,376.69 | 1,13,623.50 |
| V | Profit Before Exceptional Items and Tax (III-IV) | | 27,759.53 | 28,493.64 |
| VI | Exceptional items | | - | - |
| VII | Profit before Tax (V-VI) | | 27,759.53 | 28,493.64 |
| VIII | Tax Expenses | 32 | | |
| | Current Tax | | 7,143.32 | 7,142.10 |
| | Tax of earlier year provided / (written back) | | - | - |
| | Deferred Tax | | (273.27) | 295.56 |
| IX | Profit for the year | | 20,889.48 | 21,055.98 |
| X | Other Comprehensive Income | 33 | | |
| A | (i) Items that will not be reclassified to profit or loss | | 190.95 | 129.82 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| B | (i) Items that will be reclassified to profit or loss | | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| XI | Total Comprehensive Income (IX+X) | | 21,080.43 | 21,185.80 |
| XII | Earnings per Equity Share | | | |
| | 1) Basic (in ₹) | 34 | 44.85 | 44.61 |
| | 2) Diluted (in ₹) | 34 | 44.85 | 44.61 |
| | Accompanying notes form an integral part of the financial statements | 1 to 51 | | |

As per our report of even date attached

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

Sd/-
YOGESH K GUPTA
Partner
Membership No : 093214
Place : New Delhi
Dated : 23rd May, 2022

For and on behalf of the Board of Directors

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

Sd/-
RAHUL DHANUKA
Chief Operating Officer
DIN : 00150140

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

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

Place : Gurugram
Dated : 23rd May, 2022



Consolidated Statement of Changes in Equity for the year ended March 31, 2022

(₹ In lacs)

| a. EQUITY SHARE CAPITAL | | | | | |
|---|-----------------------------|--|--------------------------------------|---|------------------------------|
| As at March 31, 2022 | | | | | |
| | Balance as at April 1, 2021 | Changes in Equity Share Capital due to prior period errors | Restated balance as at April 1, 2021 | Changes in equity share capital during the year | Balance as at March 31, 2022 |
| | 931.57 | - | 931.57 | - | 931.57 |
| As at March 31, 2021 | | | | | |
| | Balance as at April 1, 2020 | Changes in Equity Share Capital due to prior period errors | Restated balance as at April 1, 2020 | Changes in equity share capital during the year (Refer Note-14) | Balance as at March 31, 2021 |
| | 951.57 | - | 951.57 | (20.00) | 931.57 |
| b. OTHER EQUITY | | | | | |
| Particulars | Reserves & Surplus | | | Total | |
| | Capital Reserve | Capital Redemption Reserve | Retained earnings | | |
| Balance as at April 1, 2020 | 95.47 | 48.82 | 69,662.25 | 69,806.54 | |
| Total comprehensive income for the year ended March 31, 2021 | | | | | |
| -Profit for the year | - | - | 21,055.98 | 21,055.98 | |
| -Other comprehensive income for the year | - | - | 129.82 | 129.82 | |
| -Changes in accounting policy or prior period errors | - | - | - | - | |
| Total comprehensive income | - | - | 21,185.80 | 21,185.80 | |
| - Amount Utilised for Buy back of equity shares (Refer Note-14) | - | - | (9,980.00) | (9,980.00) | |
| - Amount Transferred to Capital Redemption Reserve on Buy back of equity shares (Refer Note-14) | - | 20.00 | (20.00) | - | |
| - Tax paid on Buy back of Equity Shares (Refer Note-14) | - | - | (2,324.94) | (2,324.94) | |
| Balance as at March 31, 2021 | 95.47 | 68.82 | 78,523.11 | 78,687.40 | |
| Balance as at April 1, 2021 | 95.47 | 68.82 | 78,523.11 | 78,687.40 | |
| Total comprehensive income for the year ended March 31, 2022 | | | | | |
| -Profit for the year | - | - | 20,889.48 | 20,889.48 | |
| -Other comprehensive income for the year | - | - | 190.95 | 190.95 | |
| -Changes in accounting policy or prior period errors | - | - | - | - | |
| Total comprehensive income | - | - | 21,080.43 | 21,080.43 | |
| -Dividend paid during the year | - | - | (4,657.83) | (4,657.83) | |
| Balance as at March 31, 2022 | 95.47 | 68.82 | 94,945.71 | 95,110.00 | |

As per our report of even date attached

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

Sd/-
YOGESH K GUPTA
Partner
Membership No : 093214

Place : New Delhi
Dated : 23rd May, 2022

For and on behalf of the Board of Directors

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

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

Place : Gurugram
Dated : 23rd May, 2022

Sd/-
RAHUL DHANUKA
Chief Operating Officer
DIN : 00150140

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



Consolidated Statement of Cash Flows for the year ended March 31, 2022

(₹ In lacs)

| | PARTICULARS | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|-----------|---|--------------------------------------|--------------------------------------|
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Profit / (Loss) Before Tax | 27,759.53 | 28,493.64 |
| | Adjustments for: | | |
| | Depreciation, amortization and impairment expenses | 1,627.75 | 1,518.00 |
| | Net (Gain)/Loss on Sale of Property, Plant and Equipment | (62.36) | (22.84) |
| | Finance Costs | 320.27 | 269.38 |
| | Interest Income | (1,386.80) | (1,569.53) |
| | Dividend Income from Investments | (25.00) | - |
| | Net (Gain)/Loss on Sale of Investments | (464.12) | (335.87) |
| | Net (Gain)/Loss on Investments measured at fair value through profit or loss | (842.77) | (1,129.71) |
| | Allowance for Bad and Doubtful debts & Advances | 236.36 | 351.50 |
| | Property, Plant and Equipment Written off | 19.48 | - |
| | Liabilities no longer Required, Written Back | (18.19) | (11.37) |
| | Forex Fluctuation on Translation of Assets & Liabilities | 33.74 | (39.25) |
| | Operating Profit / (Loss) before Working Capital changes | 27,197.89 | 27,523.95 |
| | (Increase) / Decrease in Trade Receivables | (4,072.51) | (25.52) |
| | (Increase) / Decrease in Current financial assets - Loans | (4.24) | 23.91 |
| | (Increase) / Decrease in Non Current financial assets - Loans | 0.68 | 3.88 |
| | (Increase) / Decrease in Other Current financial assets | (561.97) | (302.27) |
| | (Increase) / Decrease in Other Non Current financial assets | 43.23 | (53.84) |
| | (Increase) / Decrease in Other Current assets | 496.94 | (51.89) |
| | (Increase) / Decrease in Other Non Current assets | 187.80 | (171.97) |
| | (Increase)/Decrease in Inventories | (9,057.65) | (4,564.64) |
| | Increase / (Decrease) in Trade Payables | 6,590.50 | (417.47) |
| | Increase / (Decrease) in Other Current Financial Liabilities | (1,454.06) | 4,379.83 |
| | Increase / (Decrease) in Other Non Current Financial Liabilities | 85.47 | (2.50) |
| | Increase / (Decrease) in Other Current Provisions | (24.71) | (0.87) |
| | Increase / (Decrease) in Other Non Current Provisions | 114.63 | (338.91) |
| | Increase / (Decrease) in Other Current Liabilities | (2,518.62) | 3,208.31 |
| | Cash generated (used) in /from Operations before tax | 17,023.38 | 29,210.00 |
| | Net Direct Taxes paid (Net of Refunds) | (6,596.15) | (6,103.69) |
| | Net cash flow (used) in/ from Operating Activities | 10,427.23 | 23,106.31 |
| B. | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Acquisition of Property, Plant and Equipment (Including Adjustment on account of Intangible Assets, Capital work in Progress, Capital Creditors and Capital Advances) | (5,982.17) | (1,261.71) |
| | Proceeds from sale of Property, Plant and Equipment | 165.92 | 36.16 |
| | Loan given to Corporate and Other | (1,100.00) | (1,900.00) |
| | Repayment of Loan Given to Corporate and Other | 5,000.00 | 500.00 |
| | Investment in Bank Deposits | 952.85 | (1,152.20) |
| | Purchase and sale of Investments (Net) | (4,580.29) | (10,445.43) |
| | Interest Received | 1,258.55 | 1,561.53 |
| | Dividend Income from Investments | 25.00 | - |
| | Net cash flow (used) in/ from Investing Activities | (4,260.14) | (12,661.65) |
| | Net cash (used) in/ from Operating and Investing Activities | 6,167.09 | 10,444.66 |



Consolidated Statement of Cash Flows for the year ended March 31, 2022

(₹ In lacs)

| | PARTICULARS | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|-----------|---|--------------------------------------|--------------------------------------|
| C. | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Short Term Borrowings (Net) | (739.60) | 37.35 |
| | Payment of Principal portion of Lease Liabilities | (362.29) | (348.86) |
| | Payment of Dividend | (4,657.83) | - |
| | Buy Back of Shares | - | (10,000.00) |
| | Taxes on Buy Back of Shares | - | (2,324.94) |
| | Interest Paid | (320.27) | (269.38) |
| | Net cash (used) in/ from Financing Activities | (6,079.99) | (12,905.83) |
| | Net cash (used) in/ from Operating, Investing & Financing Activities | 87.10 | (2,461.17) |
| | Opening balance of Cash and Cash equivalent | 61.38 | 2,522.55 |
| | Closing balance of Cash & Cash equivalent | 148.48 | 61.38 |

Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following (refer note no.12):-

| | | |
|---------------------------------|---------------|--------------|
| i) Cash Balance on Hand | 37.29 | 54.69 |
| ii) Balance with Banks : | | |
| - In Current Accounts | 98.44 | 6.69 |
| - Cheques in hand | 12.75 | - |
| Total | 148.48 | 61.38 |

Change in liability arising from financing activities

(₹ In lacs)

| Particulars | Current Borrowings | Interest Paid | Lease Liabilities | Buy Back of Equity Shares | Dividend Paid |
|-------------------------------------|--------------------|---------------|-------------------|---------------------------|---------------|
| Balance as at April 1, 2020 | 798.49 | - | 489.02 | - | - |
| Cash Flows | 37.35 | (67.72) | (550.52) | (12,324.94) | - |
| Lease Liabilities Accruals | - | - | 3,866.99 | - | - |
| Buy Back of Equity Shares Accruals | - | - | - | 12,324.94 | - |
| Finance Cost Accruals | - | 67.72 | 201.66 | - | - |
| Balance as at March 31, 2021 | 835.84 | - | 4,007.15 | - | - |
| Cash Flows | (739.60) | (16.75) | (665.81) | - | (4,657.83) |
| Lease Liabilities Accruals | - | - | (560.44) | - | - |
| Dividend Distribution Accruals | - | - | - | - | 4,657.83 |
| Finance Cost Accruals | - | 16.75 | 303.52 | - | - |
| Balance as at March 31, 2022 | 96.24 | - | 3,084.42 | - | - |

As per our report of even date attached

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

Sd/-
YOGESH K GUPTA
Partner
Membership No : 093214
Place : New Delhi
Dated : 23rd May, 2022

For and on behalf of the Board of Directors

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

Sd/-
RAHUL DHANUKA
Chief Operating Officer
DIN : 00150140

Sd/-
V.K.BANSAL
Chief Financial Officer
M. No. : 86263
Place : Gurugram
Dated : 23rd May, 2022

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



Notes to Consolidated Financial Statements for the year ended March 31, 2022

1. CORPORATE INFORMATION

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

The consolidated financial statements comprise the company and its Wholly owned subsidiaries (referred to collectively as “The group”). DAL manufactures a wide range of agro-chemicals like herbicides, insecticides, fungicides, plant growth regulators in various forms – liquid, dust, powder and granules. The Group has a Pan-India presence through its Branch offices/Depots in all major states in India.

The Registered office of the company situated at 82, Abhinash Mansion, 1st Floor, Joshi Road, Karol Bagh, New Delhi-110005 and the corporate office is situated at Global Gateway Towers, MG Road, Near Guru Dronacharya Metro Station, Gurugram-122002.

2. BASIS OF PREPARATION

a. Basis of consolidation

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the parent and its subsidiary are prepared by line by line adding together like items of assets, liabilities, equity, income and expenses. Inter -Company balances and transactions, and any unrealized gains arising from inter-company transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

b. Statement of compliance

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

These financial statements were authorized for issue by the Board of Directors on May 23, 2022.

c. Basis of measurement

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

- Certain financial assets and liabilities that is measured at fair

value;

- Defined benefit plans - plan assets measured at fair value.

d. Functional and presentation currency

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

e. Current or Non-current classification

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

f. Critical accounting judgements and key source of estimation uncertainty

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

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

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

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognized in the financial statements are:

- Measurement of defined benefit obligations;
- Recognition of deferred tax assets & minimum alternative tax credit entitlement;
- Useful life and residual value of Property, plant and equipment and intangible assets;



Notes to Consolidated Financial Statements for the year ended March 31, 2022

- Impairment test of financial and non-financial assets;
- Measurement of fair value of financial instrument; and
- Recognition and measurement of provisions and contingencies.
- Recognition and measurement of provision for discounts and rebates.

3. SIGNIFICANT ACCOUNTING POLICIES

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

a. Property, plant and equipment

I. Recognition and measurement

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

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

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

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

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

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

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

An item of property, plant and equipment is derecognized when

no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

II. Depreciation

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

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

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

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

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

b. Intangible assets

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

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

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



Notes to Consolidated Financial Statements for the year ended March 31, 2022

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

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

The estimated useful lives are as follows:

| | |
|-------------------|----------|
| Computer Software | 10 years |
|-------------------|----------|

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

c. Impairment of non-financial assets

At each reporting date, the group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

In respect of assets for which impairment loss has been recognized in prior periods, the group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. After impairment, depreciation or amortization is provided on the revised carrying amount of the assets over its remaining useful life.

d. Financial instruments

I. Initial recognition

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

II. Subsequent measurement

1) Financial assets carried at amortized cost

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

2) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss.

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

3) Financial assets at fair value through profit and loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

4) Financial liabilities

Financial liabilities are subsequently carried at amortized cost



Notes to Consolidated Financial Statements for the year ended March 31, 2022

using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts is approximate to the fair value due to the short maturity of these instruments.

5) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the separate financial statements.

III. Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. Except trade receivables, expected credit losses are measured at an amount equal to the twelve month expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

In case of trade receivables, the group follows the simplified approach which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables. The group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

IV. Derecognition

1) Financial Assets

Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

2) Financial Liabilities

The group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

V. Reclassification of Financial Assets and Financial liabilities

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the group reclassifies financial assets, it applies prospectively from the reclassification date which is the first day of the immediately

next reporting period following the change in business model. The group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

VI. Derivative financial instruments

The group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognized immediately in the statement of profit and loss.

VII. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

e. Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/ or disclosure purposes are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - If one or more of the significant inputs is not based on



Notes to Consolidated Financial Statements for the year ended March 31, 2022

observable market data, the instrument is included in level 3.

f. Inventories

Inventories (including Stock-in-transit) of Finished Goods, Stock in Trade, Work in progress, Raw materials, packing materials and Stores & Spares are stated at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of Raw Materials, Packing Materials, Stores and Spares, Stock in Trade and other products are determined on First in first out (FIFO) basis and are net of GST.

Cost of Work in progress and Finished Goods is determined on First in first out (FIFO) basis considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and wherever necessary, the same are written off or provision is made for such inventories. Finished goods and work in progress are written down if anticipated net realizable value declines below the carrying amount of the inventories and such write down to inventories are recognized in statement of profit & loss. When reason for such write down ceases to exist, then write down is reversed through statement of profit and loss account.

g. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

h. Revenue Recognition

I. Sale of goods

Revenue is generated primarily from sale of agrochemicals.

Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration which the group expects to receive in exchange for those goods.

Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer which is usually on delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Contract balances

Trade receivables

A receivable represents the group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3(d) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the group performs under the contract.

II. Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

III. Dividends

Dividend income is recognized when the group's right to receive



Notes to Consolidated Financial Statements for the year ended March 31, 2022

dividend is established, and is included in other income in the statement of profit and loss.

IV. Revenue from electricity generation

Revenue from electricity generation is recognized on the basis of electricity units generated and invoice raised on monthly basis.

V. Insurance claims

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

VI. Government Grants

Government grants and subsidies are recognised where there is reasonable assurance that the grant/subsidies will be received and all attached conditions will be complied with. The Grants are presented under the head other operating income.

i. Employee Benefits

I. Short Term Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

II. Defined contribution plans

Employees benefits in the form of the group's contribution to Provident Fund, Pension scheme, Superannuation Fund, National Pension scheme and Employees State Insurance are defined contribution schemes. The group recognizes contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognized as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the group recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to reduction in future payments or a cash refund.

III. Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The group provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The group contributes to the gratuity fund,

which are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit & loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit & loss. The group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

IV. Other long term employee benefits

Other long term Employee benefits includes earned leaves and sick leaves. The group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognized in statement of profit & loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

j. Foreign currency transactions

The financial statements are presented in Indian rupee, which is the group's functional and presentation currency, unless stated otherwise. A group's functional currency is that of the primary economic environment in which the group operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end



Notes to Consolidated Financial Statements for the year ended March 31, 2022

exchange rates are recognized in the statement of profit and loss.

k. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

l. Income Tax

Income tax expense comprises current and deferred tax. It is recognized in statement of profit & loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income

I. Current Tax

Current tax comprises the expected tax payable on the taxable income for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the group:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

II. Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax assets/liabilities are generally recognized for all taxable temporary differences, the carry forward balance of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward balance of unused tax credits and unused tax losses can be utilized.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets

reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities;
and
- ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

m. Segment Reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the group's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

The Chairman, Managing Director, COO and CFO have been identified as CODM by the group. Refer Note 38 for segment information.

n. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

o. Statement of cash flows

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Ind AS on Statement of Cash Flows (Ind AS - 7). The cash flows from operating, financing and investing activity of the group are segregated.

p. Lease

The group's lease asset classes primarily consist of leases for Building and Vehicles. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (i) the contract involves the use of an identified asset (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset.

Group as a lessee

At the date of commencement of the lease, the group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases



Notes to Consolidated Financial Statements for the year ended March 31, 2022

with a term of twelve months or less (short-term leases). For these short-term, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Group as a lessor

I. Operating Lease

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an

operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

II. Finance Lease

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the group's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

q. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r. Dividend to Equity Shareholders

Dividend to equity shareholders is recognized as a liability and deducted from shareholders' Equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

s. Research and Development Expenses

Research and Development Expenses of revenue nature are charged to the Statement of Profit and Loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| 4. PROPERTY, PLANT AND EQUIPMENT | Particulars | Land-Freehold | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipments | Power Gen. Plant | Right-of-use Asset | Total |
|----------------------------------|------------------------------|---------------|-----------|-------------------|----------------------|----------|-------------------|------------------|--------------------|------------|
| | Gross Carrying Amount | | | | | | | | | |
| | As at April 1, 2020 | 3,379.72 | 6,879.43 | 3,187.42 | 174.30 | 379.52 | 583.77 | 950.74 | 1,155.20 | 16,690.10 |
| | Additions | 7.20 | 2,315.73 | 117.68 | 4.49 | 6.93 | 116.47 | - | 3,910.11 | 6,478.61 |
| | Disposals/Adjustments | - | (3.80) | (12.17) | (0.47) | (11.18) | (12.12) | - | (477.15) | (516.89) |
| | Balance as at March 31, 2021 | 3,386.92 | 9,191.36 | 3,292.93 | 178.32 | 375.27 | 688.12 | 950.74 | 4,588.16 | 22,651.82 |
| | Balance as at April 1, 2021 | 3,386.92 | 9,191.36 | 3,292.93 | 178.32 | 375.27 | 688.12 | 950.74 | 4,588.16 | 22,651.82 |
| | Additions | 121.18 | 1,164.45 | 423.25 | 32.96 | 61.15 | 140.99 | - | 224.05 | 2,168.03 |
| | Disposals/Adjustments | (25.65) | (523.57) | (283.03) | (18.45) | (10.88) | (47.71) | - | (913.93) | (1,823.22) |
| | Balance as at March 31, 2022 | 3,482.45 | 9,832.24 | 3,433.15 | 192.83 | 425.54 | 781.40 | 950.74 | 3,898.28 | 22,996.63 |
| | Accumulated Depreciation | | | | | | | | | |
| | As at April 1, 2020 | - | 2,069.55 | 1,522.97 | 117.37 | 166.42 | 413.73 | 345.61 | 543.56 | 5,179.21 |
| | Depreciation for the year | - | 440.12 | 301.84 | 16.91 | 65.68 | 98.62 | 69.97 | 480.93 | 1,474.07 |
| | Disposals/Adjustments | - | (0.80) | (7.69) | (0.34) | (8.53) | (9.00) | - | (476.28) | (502.64) |
| | Balance as at March 31, 2021 | - | 2,508.87 | 1,817.12 | 133.94 | 223.57 | 503.35 | 415.58 | 548.21 | 6,150.64 |
| | Depreciation for the year | - | 510.29 | 278.63 | 12.54 | 48.34 | 114.33 | 61.87 | 559.27 | 1,585.27 |
| | Disposals/Adjustments | - | (94.72) | (165.87) | (13.12) | (0.84) | (39.21) | - | (137.87) | (451.63) |
| | Balance as at March 31, 2022 | - | 2,924.44 | 1,929.88 | 133.36 | 271.07 | 578.47 | 477.45 | 969.61 | 7,284.28 |
| | Net carrying amount | | | | | | | | | |
| | Balance as at March 31, 2021 | 3,386.92 | 6,682.49 | 1,475.81 | 44.38 | 151.70 | 184.77 | 535.16 | 4,039.95 | 16,501.18 |
| | Balance as at March 31, 2022 | 3,482.45 | 6,907.80 | 1,503.27 | 59.47 | 154.47 | 202.93 | 473.29 | 2,928.67 | 15,712.35 |

Notes:

- Refer note 16(a) for information on movable assets which are pledged as security by the company to banks
- Right-of-use Asset includes (Refer Note-37) :-



Notes to Consolidated Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| Particulars | Right-of-use Asset | | Total |
|-------------------------------------|--------------------|---------------|-----------------|
| | Buildings | Vehicles | |
| Gross Carrying Amount | | | |
| Balance as at April 1, 2020 | 935.05 | 220.16 | 1,155.20 |
| Additions | 3,910.11 | - | 3,910.11 |
| Disposals/Adjustments | (424.29) | (52.86) | (477.15) |
| Balance as at March 31, 2021 | 4,420.87 | 167.29 | 4,588.16 |
| Balance as at April 1, 2021 | 4,420.87 | 167.29 | 4,588.16 |
| Additions | 224.05 | - | 224.05 |
| Disposals/Adjustments | (853.33) | (60.60) | (913.93) |
| Balance as at March 31, 2022 | 3,791.59 | 106.69 | 3,898.28 |
| Accumulated Depreciation | | | |
| Balance as at March 31, 2020 | 460.55 | 83.01 | 543.56 |
| Depreciation for the year | 416.10 | 64.83 | 480.93 |
| Disposals/Adjustments | (423.42) | (52.86) | (476.28) |
| Balance as at March 31, 2021 | 453.24 | 94.98 | 548.21 |
| Depreciation for the year | 523.71 | 35.56 | 559.27 |
| Disposals/Adjustments | (77.27) | (60.60) | (137.87) |
| Balance as at March 31, 2022 | 899.68 | 69.94 | 969.61 |
| Net carrying amount | | | |
| Balance as at March 31, 2021 | 3,967.63 | 72.31 | 4,039.95 |
| Balance as at March 31, 2022 | 2,891.92 | 36.75 | 2,928.67 |

c. Refer note-39 for transactions with Related Party

5. CAPITAL WORK IN PROGRESS

(₹ In lacs)

| Particulars | Amount |
|---|-----------------|
| As at April 1, 2020 | 366.94 |
| Additions | 860.46 |
| Less: Amount capitalized in Property, Plant and Equipment | (468.00) |
| Balance as at March 31, 2021 | 759.40 |
| As at April 1, 2021 | 759.40 |
| Additions | 5,325.51 |
| Less: Amount capitalized in Property, Plant and Equipment | (1,250.19) |
| Balance as at March 31, 2022 | 4,834.72 |

a Ageing for capital work-in-progress balance as at March 31, 2022 is as follows :

| Particulars | Amount in capital work-in-progress for a period of | | | | Total |
|----------------------|--|-----------|-----------|----------|----------|
| | <1 Year | 1-2 Years | 2-3 Years | >3 Years | |
| Projects in Progress | 4,811.13 | 23.59 | - | - | 4,834.72 |

Ageing for capital work-in-progress balance as at March 31, 2021 is as follows :

| Particulars | Amount in capital work-in-progress for a period of | | | | Total |
|----------------------|--|-----------|-----------|----------|--------|
| | <1 Year | 1-2 Years | 2-3 Years | >3 Years | |
| Projects in Progress | 759.40 | - | - | - | 759.40 |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

| 6. OTHER INTANGIBLE ASSETS | | (₹ In lacs) |
|-------------------------------------|----------------------------|-------------|
| Particulars | Amount (Computer Software) | |
| Gross Carrying Amount | | |
| As at April 1, 2020 | 395.95 | |
| Additions | 2.63 | |
| Disposals/Adjustments | - | |
| Balance as at March 31, 2021 | 398.58 | |
| As at April 1, 2021 | 398.58 | |
| Additions | 6.10 | |
| Disposals/Adjustments | (5.48) | |
| Balance as at March 31, 2022 | 399.20 | |
| Accumulated Amortization | | |
| As at April 1, 2020 | 161.73 | |
| Charge for the year | 43.93 | |
| Disposals/Adjustments | - | |
| Balance as at March 31, 2021 | 205.66 | |
| As at April 1, 2021 | 205.66 | |
| Charge for the year | 42.48 | |
| Disposals/Adjustments | (3.57) | |
| Balance as at March 31, 2022 | 244.57 | |
| Net Carrying Amount | | |
| Balance as at March 31, 2021 | 192.92 | |
| Balance as at March 31, 2022 | 154.63 | |

| 7. INVESTMENTS | | (₹ In lacs) | | | |
|---|----------------------|-------------|----------------------|--------|--|
| | As at March 31, 2022 | | As at March 31, 2021 | | |
| | No. of Shares/Units | Amount | No. of Shares/Units | Amount | |
| NON CURRENT | | | | | |
| Investment in Preference Shares | | | | | |
| a. Unquoted- At Fair Value through Profit & Loss | | | | | |
| Compulsorily convertible Preference Shares of M/s Iotechworld Avigation Pvt. Ltd. | 1,239.00 | 2,000.54 | - | - | |
| b. Quoted- At Fair Value through Profit & Loss | | | | | |
| Preference shares of Tata Motors Finance Ltd. | - | - | 2,50,000.00 | 568.27 | |
| Investment in debentures or bonds | | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | | |
| NCD - Face Value of ₹ 1000000/- each in India Grid Trust | - | - | 50.00 | 564.55 | |
| NCD - Face Value of ₹ 1000000/- each in Mindspace Business Parks REIT | - | - | 50.00 | 522.20 | |
| NCD - Face Value of ₹ 1000000/- each in Shriram Transport Finance Company Limited | 50.00 | 551.30 | - | - | |
| NCD - Face Value of ₹ 1000000/- each in Muthoot Fincorp Limited | 30.00 | 306.57 | - | - | |
| NCD - Face Value of ₹ 1000000/- each in Navi Finserv Private Limited | 30.00 | 297.25 | - | - | |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

7. INVESTMENTS

(₹ In lacs)

| | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|----------|----------------------|----------|
| | No. of Shares/Units | Amount | No. of Shares/Units | Amount |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in HDFC Bank | - | - | 25.00 | 274.49 |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in State Bank Of India | 25.00 | 262.41 | 25.00 | 259.51 |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in Union Bank of India | 50.00 | 516.06 | - | - |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in Canara Bank | 50.00 | 510.06 | - | - |
| Perpetual Bonds- Face Value of ₹ 10000000/- each in State Bank Of India | 5.00 | 522.57 | - | - |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in Bank of Baroda | 30.00 | 307.04 | - | - |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in Bank of Baroda | 20.00 | 209.33 | - | - |
| Perpetual Bonds- Face Value of ₹ 10000000/- each in Bank of Baroda | 5.00 | 515.45 | - | - |
| Perpetual Bonds- Face Value of ₹ 10000000/- each in Tata Motors Finance Limited | 5.00 | 513.50 | - | - |
| b. Quoted- At Amortised Cost | | | | |
| 7.35% Bonds - Face Value of ₹ 1000/- each in Indian Railway Finance Corporation Limited | 5,878.00 | 58.78 | 5,878.00 | 58.78 |
| 7.28% Bonds - Face Value of ₹ 1000/- each in Indian Railway Finance Corporation Limited | 30,200.00 | 302.00 | 30,200.00 | 302.00 |
| 7.35% Bonds - Face Value of ₹ 1000/- each in National Highway Authority of India | 14,285.00 | 142.85 | 14,285.00 | 142.85 |
| 7.39% Bonds - Face Value of ₹ 1000/- each in National Highway Authority of India | 7,709.00 | 77.09 | 7,709.00 | 77.09 |
| 7.49% Bonds - Face Value of ₹ 1000/- each in Indian Renewable Energy Development Agency Ltd | 34,060.00 | 340.60 | 34,060.00 | 340.60 |
| 7.39% Bonds - Face Value of ₹ 1000/- each in Housing and Urban Development Corp Ltd | 7,007.00 | 70.07 | 7,007.00 | 70.07 |
| 7.35% Bonds - Face Value of ₹ 1000/- each in National Bank for Agriculture and Rural Development | 5,010.00 | 50.10 | 5,010.00 | 50.10 |
| 7.11% Bonds - Face Value of ₹ 1000/- each in Power Finance Corporation Limited | 2,567.00 | 25.67 | 2,567.00 | 25.67 |
| c. Unquoted- At Amortised Cost | | | | |
| Units of Annuities In Senior Secured Estate Fund | 2,80,070.85 | 280.07 | 2,91,839.78 | 291.84 |
| Units of IIFL Real Estate Fund-Series 2 | 47,09,658.52 | 219.51 | 47,09,658.52 | 255.43 |
| Units of Religare Credit Investment Trust | - | 0.88 | - | 0.88 |
| Units of ICICI Prudential Real Estate | 56,696.12 | 65.66 | 62,020.81 | 69.57 |
| Units of IIFL Real Estate Fund-Series 3 | 18,50,000.00 | 64.16 | 18,50,000.00 | 72.09 |
| d. Unquoted- At Fair Value through Profit & Loss | | | | |
| Units of UTI Structured Debt Opportunities Fund | 2,21,458.63 | 224.25 | 35,53,459.28 | 381.20 |
| | | | | |
| Investment in Mutual Funds | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | |
| Units of Reliance Fixed Horizon Fund-XXXIX-Series 2 | - | - | 20,00,000.00 | 258.02 |
| Units of Bharat Bond ETF | 1,00,000.00 | 1,203.08 | 1,00,000.00 | 1,134.37 |
| Units of Bharat Bond ETF | 99,994.00 | 1,076.56 | 99,994.00 | 1,018.23 |
| Units of Edelweiss NIFTY PSU Bond Plus SDL Index Fund | 99,99,500.03 | 1,074.00 | 99,99,500.03 | 1,010.82 |
| Units of Bharat Bond ETF | 99,995.00 | 1,010.08 | - | - |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| | As at March 31, 2022 | | | |
|--|----------------------|------------------|---------------------|-----------------|
| | No. of Shares/Units | Amount | No. of Shares/Units | Amount |
| Investment in Debt Instruments | | | | |
| a. Unquoted- At Amortised Cost | | | | |
| FDR with LIC Housing Finance Ltd. | - | - | - | 500.00 |
| FDR with Housing Development Finance Corporation Ltd. | - | - | - | 500.00 |
| FDR with ICICI Home Finance Company Ltd. | - | 500.00 | - | 500.00 |
| FDR with Bajaj Finance Ltd. | - | 500.00 | - | - |
| FDR with Mahindra & Mahindra Financial Services Ltd. | - | 500.00 | - | - |
| | | | | |
| Total Non Current Investment | | 14,297.49 | | 9,248.63 |
| Less: Allowance for doubtful debts | | 315.14 | | 219.00 |
| Total Non Current Investment | | 13,982.35 | | 9,029.63 |
| | | | | |
| Aggregate amount of quoted investments and Market Value thereof | | 9,942.42 | | 6,677.62 |
| Aggregate amount of quoted investments and Book Value thereof | | 9,942.42 | | 6,677.62 |
| Aggregate amount of unquoted investments | | 4,355.07 | | 2,571.01 |
| Aggregate amount of impairment in value of investments | | 315.14 | | 219.00 |
| | | | | |
| CURRENT | | | | |
| Investment in Equity Instruments | | | | |
| a. Unquoted- At Fair Value through Profit & Loss | | | | |
| Units of DSP India Enhanced Equity SatCore Fund | - | - | 2,00,000.00 | 238.70 |
| b. Quoted- At Fair Value through Profit & Loss | | | | |
| Units of ABSL Arbitrage Fund-Direct Growth Plan | 46,28,412.48 | 1,053.15 | 46,28,412.48 | 1,008.13 |
| Units of Axis Arbitrage Fund-Direct Growth Plan | 65,27,983.62 | 1,056.65 | 65,27,983.62 | 1,008.10 |
| Units of Edelweiss Arbitrage Fund-Direct Growth Plan | 63,98,901.91 | 1,054.76 | 63,98,901.91 | 1,007.65 |
| Units of ICICI Prudential Equity Arbitrage Fund-Direct Growth Plan | 35,78,534.88 | 1,048.17 | 35,78,534.88 | 1,003.86 |
| Units of Kotak Equity Arbitrage Fund-Direct Growth Plan | 33,28,717.29 | 1,054.17 | 33,28,717.29 | 1,007.97 |
| Units of Nippon India Arbitrage Fund-Direct Growth Plan | 46,05,984.41 | 1,051.46 | 46,05,984.41 | 1,005.35 |
| Units of Tata Arbitrage Fund-Direct Growth Plan | 87,67,722.67 | 1,050.86 | 87,67,722.67 | 1,005.66 |
| Units of UTI Arbitrage Fund-Direct Growth Plan | 35,41,939.97 | 1,052.71 | 35,41,939.97 | 1,007.84 |
| Units of HDFC Arbitrage Fund-Direct Growth Plan | 63,92,316.07 | 1,028.08 | - | - |
| Units of SBI Arbitrage Opp Fund-Direct Growth Plan | 50,84,017.96 | 1,432.11 | - | - |
| Units of IDFC Arbitrage Fund-Direct Growth Plan | 36,80,494.99 | 1,027.35 | - | - |
| | | | | |
| Investment in debentures or bonds | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | |
| NCD - Face Value of ₹ 100000/- each in Edelweiss Finvest Pvt. Limited | - | - | 294.00 | 332.78 |
| NCD - Face Value of ₹ 100000/- each in IIFL Wealth Finance Limited | - | - | 300.00 | 428.32 |
| NCD - Face Value of ₹ 100000/- each in Edelweiss Finvest Pvt. Limited | - | - | 1,000.00 | 1,343.65 |
| NCD - Face Value of ₹ 1000000/- each in Mindspace Business Parks REIT | 50.00 | 552.65 | - | - |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in HDFC Bank | 25.00 | 270.49 | - | - |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| | As at March 31, 2022 | | As at March 31, 2021 | |
|--|-------------------------|------------------|-------------------------|------------------|
| | No. of Shares/Units | Amount | No. of Shares/Units | Amount |
| Investment in Mutual Funds | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | |
| Units of Reliance Fixed Horizon Fund-XXXV-Series 13 | - | - | 30,00,000.00 | 380.31 |
| Units of UTI Fixed Term Income Fund Series-1204 Days | - | - | 30,00,000.00 | 378.80 |
| Units of ICICI Prudential Fixed Maturity Plan Series 82-1203 Days | - | - | 30,00,000.00 | 379.05 |
| Units of ICICI Prudential Fixed Maturity Plan Series 82-1215 Days | - | - | 30,00,000.00 | 380.40 |
| Units of Aditya Birla Sun life Fixed Term Plan Series PB-1190 Days | - | - | 30,00,000.00 | 378.80 |
| Units of Aditya Birla Sun life Fixed Term Plan Series PC-1169 Days | - | - | 30,00,000.00 | 379.49 |
| Units of DSP FMP Series 219-40M | - | - | 30,00,000.00 | 376.46 |
| Units of DSP FMP Series 220-40M | - | - | 30,00,000.00 | 378.96 |
| Units of Aditya Birla Sun life Fixed Term Plan Series QX-1103 Days | - | - | 30,00,000.00 | 367.48 |
| Units of Aditya Birla Sun life Fixed Term Plan Series RA-1100 Days | - | - | 20,00,000.00 | 245.02 |
| Units of DSP FMP Series 243-36M | - | - | 15,00,000.00 | 187.27 |
| Units of UTI Fixed Term Income Fund Series XXX-I-1104 Days | - | - | 15,00,000.00 | 178.40 |
| Units of UTI Liquid Cash Plan-Direct Growth Plan | 69,929.34 | 2,439.16 | 17,982.55 | 606.10 |
| Units of Axis Liquid Fund-Direct Growth Plan | 25,543.06 | 603.86 | 1,29,247.23 | 2,953.03 |
| Units of ABSL Liquid Fund-Direct Growth Plan | 4,82,427.54 | 1,655.33 | 2,41,429.59 | 800.42 |
| Units of Nippon India Liquid Fund-Direct Growth Plan | 17,405.11 | 906.46 | - | - |
| Units of Nippon India Fixed Horizon Fund-XXXIX-Series 2 | 20,00,000.00 | 268.90 | - | - |
| | | | | |
| Investment in Debt Instruments | | | | |
| a. Unquoted- At Amortised Cost | | | | |
| FDR with LIC Housing Finance Ltd. | - | 500.00 | - | - |
| FDR with Housing Development Finance Corporation Ltd. | - | 500.00 | - | - |
| | | | | |
| Total Current Investment | | 19,606.32 | | 18,768.00 |
| | | | | |
| Aggregate amount of quoted investments and Market Value thereof | | 18,606.32 | | 18,529.30 |
| Aggregate amount of quoted investments and Book Value thereof | | 18,606.32 | | 18,529.30 |
| Aggregate amount of unquoted investments | | 1,000.00 | | 238.70 |
| Aggregate amount of impairment in value of investments | | - | | - |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

| 8. LOANS | | (₹ In lacs) | |
|--|---|-------------------------|-------------------------|
| Unsecured, Considered good unless otherwise stated | | As at March 31, 2022 | As at March 31, 2021 |
| Non Current | | | |
| Loans to employees | | 10.72 | 11.40 |
| | | 10.72 | 11.40 |
| Break up of Security Details | | | |
| Loans considered good-Secured | | - | - |
| Loans considered good-Unsecured | | 10.72 | 11.40 |
| Loans which have significant increase in Credit Risk | | - | - |
| Loans-Credit impaired | | - | - |
| Total | | 10.72 | 11.40 |
| Current | | | |
| Loans to employees | | 72.70 | 68.46 |
| Loans to corporates and others | | | |
| Unsecured, Considered good* | | - | 3,900.00 |
| Doubtful | | 645.71 | 645.71 |
| Less: Allowance for doubtful debts | | (645.71) | (645.71) |
| | | 72.70 | 3,968.46 |
| Break up of Security Details | | | |
| Loans considered good-Secured | | - | - |
| Loans considered good-Unsecured | | 72.70 | 3,968.46 |
| Loans which have significant increase in Credit Risk | | 450.00 | 450.00 |
| Loans-Credit impaired | | 195.71 | 195.71 |
| Total | | 718.41 | 4,614.17 |
| Less : Allowance | | (645.71) | (645.71) |
| Total | | 72.70 | 3,968.46 |
| Footnotes : | | | |
| a. | *Includes amount due to related parties amounting to ₹ Nil (March 31, 2021 ₹ 3900 Lacs). Refer Note-39. | | |
| b. | There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period. | | |

| 9. OTHER FINANCIAL ASSETS | | (₹ In lacs) | |
|--|---|-------------------------|-------------------------|
| Unsecured, Considered good unless otherwise stated | | As at March 31, 2022 | As at March 31, 2021 |
| Non Current | | | |
| Fixed Deposits with Banks* | | 112.65 | - |
| Security Deposits | | | |
| Unsecured, Considered good | | 326.56 | 388.82 |
| Doubtful | | 34.79 | 1.50 |
| Less: Allowance for doubtful debts | | (34.79) | (1.50) |
| Total | | 439.21 | 388.82 |
| Current | | | |
| Fixed Deposits with Banks* | | 2,304.24 | 3,369.74 |
| Interest Accrued on Loans and Investment | | 154.68 | 43.65 |
| Claim Receivable | | 6,554.55 | 1,614.68 |
| Security Deposits | | 33.69 | 53.08 |
| | | 9,047.16 | 5,081.15 |
| Footnotes : | | | |
| a. | *Includes interest accrued thereon. Lien marked against the Overdraft facility taken from bank as shown under the head "Borrowings" | | |
| b. | There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period. | | |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

10. INVENTORIES

(₹ In lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|---------------------|-------------------------|-------------------------|
| Raw materials* | 12,060.27 | 8,579.04 |
| Packing materials** | 2,508.09 | 1,926.11 |
| Work in Progress | 806.01 | 596.56 |
| Finished Goods*** | 15,543.11 | 13,974.21 |
| Stock in Trade**** | 3,731.48 | 4,419.21 |
| Store and spares | 69.45 | 55.21 |
| TOTAL | 34,718.41 | 29,550.34 |

Footnotes :

| | |
|----|---|
| a. | The mode of valuation of inventories has been stated in note no 3(f) |
| b. | Refer note 16(a) for information on Inventories pledged as security by the company to banks |
| c. | *: Stock of Raw Materials includes value of goods in transit of ₹ 2439.62 lacs [March 31,2021 : ₹ 2042.68 lacs] |
| d. | ** : Stock of Packing Materials includes value of goods in transit of ₹ 82.73 lacs [March 31,2021 : ₹ 23.27 lacs] |
| e. | ***: Stock of Finished Goods includes value of goods in transit of ₹ 195.35 lacs [March 31,2021 : ₹ 318.42 lacs] |
| f. | ****: Stock in Trade includes value of goods in transit of ₹ 13.77 lacs [March 31,2021 : ₹ 259.12 lacs] |
| g. | Cost of Inventories recognized as an expense during the year amount to ₹ 96958.41 lacs [P.Y. ₹ 89504.52 lacs] |

11. TRADE RECEIVABLES

(₹ In lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Unsecured, Considered good* | 28,802.55 | 24,730.04 |
| Less: Allowance for doubtful debts (expected credit loss allowance) | (553.39) | (463.66) |
| TOTAL | 28,249.16 | 24,266.38 |

Break up for Security Details

| | | |
|--|------------------|------------------|
| Trade Receivables considered good-Secured | - | - |
| Trade Receivables considered good-Unsecured | 28,802.55 | 24,730.04 |
| Trade Receivables which have significant increase in Credit Risk | - | - |
| Trade Receivables-Credit impaired | - | - |
| TOTAL | 28,802.55 | 24,730.04 |
| Less: Allowance for doubtful debts (expected credit loss allowance) (Refer Note-42) | (553.39) | (463.66) |
| TOTAL | 28,249.16 | 24,266.38 |

Footnotes :

| | |
|----|--|
| a. | *Of the above, trade receivable from related parties are given below : |
| | Unsecured, considered good (Refer note-39) |
| | 1.27 |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

b. Ageing for Trade Receivables outstanding

As at March 31, 2022

(₹ In lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|------------|-------------------|-----------|-----------|-----------|-----------|
| | Not Due | < 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | > 3 Years | |
| (i) Undisputed Trade receivables – considered good | 22,977.58 | 5,007.48 | 51.46 | 16.78 | 13.18 | 47.66 | 28,114.14 |
| (ii) Undisputed Trade Receivables –which have significant increase in credit risk | 0.01 | 24.74 | 54.83 | 111.13 | 180.52 | 317.18 | 688.41 |
| (iii) Undisputed Trade Receivables –credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Less: Loss Allowance | | | | | | | (553.39) |
| Total | | | | | | | 28,249.16 |

As at March 31, 2021

(₹ In lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|------------|-------------------|-----------|-----------|-----------|-----------|
| | Not Due | < 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | > 3 Years | |
| (i) Undisputed Trade receivables – considered good | 20,587.58 | 3,334.90 | 61.94 | 56.24 | 41.73 | 34.97 | 24,117.36 |
| (ii) Undisputed Trade Receivables –which have significant increase in credit risk | - | 10.49 | 38.49 | 186.86 | 136.93 | 239.91 | 612.68 |
| (iii) Undisputed Trade Receivables –credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Less: Loss Allowance | | | | | | | (463.66) |
| Total | | | | | | | 24,266.38 |

c. Refer note 16(a) for information on Trade Receivable pledged as security by the company to banks.

d. There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

12. CASH & CASH EQUIVALENTS

(₹ In lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Cash & Cash Equivalents | | |
| Balance with Banks in Current Account | 98.44 | 6.69 |
| Cash on Hand | 37.29 | 54.69 |
| Cheques / Drafts in Hand | 12.75 | - |
| | 148.48 | 61.38 |
| Bank Balance other than Cash and Cash Equivalents | | |
| Balance with Banks in Unpaid Equity Dividend Account** | 95.09 | 87.03 |
| | 95.09 | 87.03 |
| Footnotes : | | |

a. **Earmarked against the corresponding unclaimed dividend liabilities as shown under the head "Other financial liabilities"



Notes to Consolidated Financial Statements for the year ended March 31, 2022

13. OTHER ASSETS

(₹ In lacs)

| Unsecured, Considered good unless otherwise stated | As at | |
|--|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| Non Current | | |
| Capital Advance | 456.32 | 43.45 |
| Receivables from Govt. Authorities | 77.30 | 70.57 |
| Deposits with Public Authorities | 58.99 | 58.40 |
| Prepaid expenses | 13.88 | 209.38 |
| Other Advances | 10.15 | 9.76 |
| | 616.64 | 391.56 |
| Current | | |
| Prepaid expenses | 209.48 | 29.63 |
| Advances to Vendor* | 331.81 | 793.09 |
| Receivables from Govt. Authorities | 2,951.57 | 3,193.91 |
| DEPB Licence in Stock | 0.14 | - |
| Other Advances** | 37.71 | 28.22 |
| | 3,530.71 | 4,044.85 |

Footnotes :

- *Net of Provision for Bad debts of ₹ 17.20 lacs [March 31, 2021 : ₹ Nil]
- **Includes advances given to employees

14. EQUITY SHARE CAPITAL

(₹ In lacs)

| | As at | | As at | |
|--|----------------|--|----------------|---------------|
| | March 31, 2022 | | March 31, 2021 | |
| Authorized Share capital | | | | |
| 14,21,00,000 equity shares of ₹2/- each | | | 2,842.00 | 2,842.00 |
| Issued, subscribed and fully paid up | | | | |
| 4,65,78,324 equity shares of ₹2/- each | | | 931.57 | 931.57 |
| [Last Year 4,65,78,324 equity shares of ₹2/- each] | | | 931.57 | 931.57 |

Notes:

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

| | As at | | As at | |
|---------------------------------------|--------------------|---------------|--------------------|---------------|
| | March 31, 2022 | | March 31, 2021 | |
| | No. of Shares | Amount | No. of Shares | Amount |
| Opening | 4,65,78,324 | 931.57 | 4,75,78,324 | 951.57 |
| Issued during the period | - | - | - | - |
| Shares Extinguished on buy back* | - | - | 10,00,000 | 20.00 |
| Closing at the end of the year | 4,65,78,324 | 931.57 | 4,65,78,324 | 931.57 |

* The Board of Directors of the Company in its Meeting held on 22nd July, 2020, has approved the proposal for Buyback of 10,00,000 (Ten Lakhs) Equity Shares of the Company for an amount not exceeding ₹ 100 Crores (Rupees One Hundred Crore Only) at a maximum price not exceeding ₹ 1,000/- (Rupees One Thousand only) per Equity Share, which was further approved by the Members at the 35th Annual General Meeting of the Company held on 15th September, 2020. The Buy Back Committee in its Meeting held on 16th September, 2020 determined the Buy Back Price of ₹ 1,000/- (Rupees One Thousand only) per Equity Share.

Pursuant to above, Offer for Buy Back of Equity Shares of the Company were opened from 20th October, 2020 to 3rd November, 2020. The Company bought back 10,00,000 (Ten Lakhs) Fully Paid-up Equity Shares of the Face Value of Rs. 2/- each from Eligible Shareholders of the Company as on September 28, 2020 i.e. the Record Date and accordingly the Company has extinguished 10,00,000 (Ten Lakhs) Equity Shares on November 13, 2020 in terms of SEBI (Buy Back of Securities) Regulations, 2018. Consequent to above Buy Back, Paid up Share Capital of the Company have been reduced by ₹ 20,00,000/- (Twenty Lakhs Only)

Notes to Consolidated Financial Statements for the year ended March 31, 2022

b. Terms/Rights attached to Issued Equity Shares

- 1 The Company has only one class of Equity Shares having at par value of ₹2/- per share. Each Equity share is entitled to one vote.
- 2 In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts.
- 3 The distribution will be in proportion to the number of Equity Shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the company (₹ In lacs)

| Name of Shareholder | As at March 31, 2022 | | As at March 31, 2021 | |
|---|----------------------------|-----------|----------------------------|-----------|
| | No. of Shares (In Lacs) | % holding | No. of Shares (In Lacs) | % holding |
| M/s Triveni Trust | 264.59 | 56.80% | 284.25 | 61.03% |
| M/s Pushpa Dhanuka Trust | 47.11 | 10.11% | 50.74 | 10.89% |
| M/s DSP Blackrock Trustee Co. Pvt Ltd | 40.27 | 8.65% | 30.71 | 6.59% |
| As per the records of the Company, including its Register of Shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares. | | | | |

d. The Company does not have any holding / ultimate holding company

e. Discloser of Shareholding of Promoters As at March 31, 2022

| Promoter Name | As at March 31, 2022 | | As at March 31, 2021 | | % change during the Year |
|-----------------------------|-------------------------|--------------|-------------------------|--------------|-----------------------------|
| | No. of Shares | % holding | No. of Shares | % holding | |
| Ram Gopal Agarwal | 1,92,642 | 0.41% | 3,42,642 | 0.74% | -0.33% |
| Mahendra Kumar Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Total | 2,20,773 | 0.47% | 3,70,773 | 0.80% | -0.33% |
| As at March 31, 2021 | | | | | |
| Promoter Name | As at March 31, 2021 | | As at March 31, 2020 | | % change during the Year |
| | No. of Shares | % holding | No. of Shares | % holding | |
| Ram Gopal Agarwal | 3,42,642 | 0.74% | 3,49,148 | 0.73% | 0.01% |
| Mahendra Kumar Dhanuka | 28,131 | 0.06% | 28,665 | 0.06% | 0.00% |
| Total | 3,70,773 | 0.80% | 3,77,813 | 0.79% | 0.01% |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

f. Discloser of Shareholding of Promoters Group As at March 31, 2022

| Promoter Name | As at March 31, 2022 | | As at March 31, 2021 | | % change during the Year |
|---------------------------------|-------------------------|---------------|-------------------------|---------------|-----------------------------|
| | No. of Shares | % holding | No. of Shares | % holding | |
| Triveni Trust | 2,64,58,763 | 56.80% | 2,84,25,299 | 61.03% | -4.22% |
| Pushpa Dhanuka Trust | 47,11,382 | 10.11% | 50,73,762 | 10.89% | -0.78% |
| Manish Dhanuka | 2,70,681 | 0.58% | 2,70,681 | 0.58% | 0.00% |
| Rahul Dhanuka | 2,05,250 | 0.44% | 2,05,250 | 0.44% | 0.00% |
| Mahendra Kumar Dhanuka HUF | 1,77,048 | 0.38% | 1,77,048 | 0.38% | 0.00% |
| Satya Narain Agarwal | 1,72,081 | 0.37% | 22,081 | 0.05% | 0.32% |
| Abhishek Dhanuka | 83,000 | 0.18% | 83,000 | 0.18% | 0.00% |
| Satyanarain Agarwal HUF | 40,237 | 0.09% | 40,237 | 0.09% | 0.00% |
| Arun Kumar Dhanuka | 37,200 | 0.08% | 37,200 | 0.08% | 0.00% |
| Akangsha Dhanuka | 29,629 | 0.06% | 29,629 | 0.06% | 0.00% |
| Harsh Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Megha Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Mridul Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Uma Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Urmila Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Madhuri Dhanuka | 27,878 | 0.06% | 27,878 | 0.06% | 0.00% |
| Seema Dhanuka | 12,969 | 0.03% | 12,969 | 0.03% | 0.00% |
| Arjun Dhanuka | 8,636 | 0.02% | 8,636 | 0.02% | 0.00% |
| Mamta Dhanuka | 8,364 | 0.02% | 8,364 | 0.02% | 0.00% |
| Mridul Dhanuka HUF | 52 | 0.00% | 52 | 0.00% | 0.00% |
| Ram Gopal Agarwal HUF | 52 | 0.00% | 52 | 0.00% | 0.00% |
| Golden Overseas Private Limited | 26 | 0.00% | 26 | 0.00% | 0.00% |
| Pushpa Dhanuka | 19 | 0.00% | 19 | 0.00% | 0.00% |
| Arun Kumar Dhanuka HUF | 11 | 0.00% | 11 | 0.00% | 0.00% |
| Gobind Lal Dhanuka HUF | 10 | 0.00% | 10 | 0.00% | 0.00% |
| Total | 3,23,83,943 | 69.53% | 3,45,62,859 | 74.20% | -4.68% |

As at March 31, 2021

| Promoter Name | As at March 31, 2021 | | As at March 31, 2020 | | % change during the Year |
|---------------------------------|-------------------------|---------------|-------------------------|---------------|-----------------------------|
| | No. of Shares | % holding | No. of Shares | % holding | |
| Triveni Trust | 2,84,25,299 | 61.03% | 2,90,35,413 | 61.03% | 0.00% |
| Pushpa Dhanuka Trust | 50,73,762 | 10.89% | 51,84,379 | 10.90% | 0.00% |
| Manish Dhanuka | 2,70,681 | 0.58% | 2,75,821 | 0.58% | 0.00% |
| Rahul Dhanuka | 2,05,250 | 0.44% | 2,12,958 | 0.45% | -0.01% |
| Mahendra Kumar Dhanuka HUF | 1,77,048 | 0.38% | 1,80,410 | 0.38% | 0.00% |
| Satya Narain Agarwal | 22,081 | 0.05% | 22,500 | 0.05% | 0.00% |
| Abhishek Dhanuka | 83,000 | 0.18% | 83,000 | 0.17% | 0.00% |
| Satyanarain Agarwal HUF | 40,237 | 0.09% | 41,000 | 0.09% | 0.00% |
| Arun Kumar Dhanuka | 37,200 | 0.08% | 37,906 | 0.08% | 0.00% |
| Akangsha Dhanuka | 29,629 | 0.06% | 29,629 | 0.06% | 0.00% |
| Harsh Dhanuka | 28,131 | 0.06% | 28,665 | 0.06% | 0.00% |
| Megha Dhanuka | 28,131 | 0.06% | 28,665 | 0.06% | 0.00% |
| Mridul Dhanuka | 28,131 | 0.06% | 28,665 | 0.06% | 0.00% |
| Uma Dhanuka | 28,131 | 0.06% | 28,665 | 0.06% | 0.00% |
| Urmila Dhanuka | 28,131 | 0.06% | 28,665 | 0.06% | 0.00% |
| Madhuri Dhanuka | 27,878 | 0.06% | 28,407 | 0.06% | 0.00% |
| Seema Dhanuka | 12,969 | 0.03% | 13,215 | 0.03% | 0.00% |
| Arjun Dhanuka | 8,636 | 0.02% | 8,799 | 0.02% | 0.00% |
| Mamta Dhanuka | 8,364 | 0.02% | 8,522 | 0.02% | 0.00% |
| Mridul Dhanuka HUF | 52 | 0.00% | 52 | 0.00% | 0.00% |
| Ram Gopal Agarwal HUF | 52 | 0.00% | 52 | 0.00% | 0.00% |
| Golden Overseas Private Limited | 26 | 0.00% | 26 | 0.00% | 0.00% |
| Pushpa Dhanuka | 19 | 0.00% | 19 | 0.00% | 0.00% |
| Arun Kumar Dhanuka HUF | 11 | 0.00% | 11 | 0.00% | 0.00% |
| Gobind Lal Dhanuka HUF | 10 | 0.00% | 10 | 0.00% | 0.00% |
| Total | 3,45,62,859 | 74.20% | 3,53,05,454 | 74.20% | 0.00% |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

| 15. OTHER EQUITY | | (₹ In lacs) | |
|---|-------------------------|-------------------------|--|
| Reserves and Surplus | As at March 31, 2022 | As at March 31, 2021 | |
| Capital Reserve | | | |
| Balance at the beginning of the Financial year | 95.47 | 95.47 | |
| Addition during the Financial year | - | - | |
| Deduction during the Financial year | - | - | |
| | 95.47 | 95.47 | |
| Capital Reserve includes profit on merger of entities | | | |
| Capital Redemption Reserve | | | |
| Balance at the beginning of the Financial year | 68.82 | 48.82 | |
| Addition during the Financial year | - | 20.00 | |
| Deduction during the Financial year | - | - | |
| | 68.82 | 68.82 | |
| Capital Redemption Reserve created on redemption of Equity shares | | | |
| Retained Earnings | | | |
| Balance at the beginning of the Financial year | 78,523.11 | 69,662.25 | |
| Addition during the Financial year | 20,889.48 | 21,055.98 | |
| Less: Amount Utilised for Buy back of equity shares | - | (9,980.00) | |
| Less: Amount Transferred to Capital Redemption Reserve on Buy back of equity shares | - | (20.00) | |
| Less: Tax paid on Buy back of equity shares | - | (2,324.94) | |
| Add/ (Less): | | | |
| Remeasurements of the defined benefit plans through OCI | 190.95 | 129.82 | |
| Dividend paid including Dividend Distribution Tax (DDT) | (4,657.83) | - | |
| | 94,945.71 | 78,523.11 | |
| Total | 95,110.00 | 78,687.40 | |
| Retained Earnings represents undistributed profits of the company which can be distributed to its Equity Shareholders in accordance with the requirements of Companies Act, 2013. | | | |
| Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. | | | |
| Detail of Dividend Paid | | | |
| | As at March 31, 2022 | As at March 31, 2021 | |
| a.) Dividend Paid | | | |
| Final Dividend Declared for F.Y. 2020-21 [Dividend Paid ₹ 2/- per share] | 931.57 | - | |
| Interim Dividend Declared for F.Y. 2021-22 [Dividend Paid ₹8/- per share] | 3,726.26 | - | |
| | 4,657.83 | - | |
| b.) Proposed Dividend | | | |
| After the reporting date, the Board of Directors of the Company has recommended a final dividend of ₹ 6/- per Equity share amounting to ₹ 2794.70 Lacs for the financial year 2021-22. | | | |
| The dividend proposed by the Directors are subject to approval at the annual general meeting. The dividend has not been recognised as liability. The same will be recognised as a liability and deducted from shareholder's equity in the period in which the dividends are approved by the equity shareholders in the general meeting. | | | |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

16. BORROWINGS (CURRENT)

(₹ In lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|--|--|-------------------------|
| Secured | | |
| From Banks-Loan Repayable on Demand | | |
| Cash Credit limits from Banks | - | - |
| Over Draft Against Pledge of FDR | 96.24 | 835.84 |
| | 96.24 | 835.84 |
| Footnotes : | | |
| a. | Cash Credit Limits from Banks are secured by hypothecation of stocks of raw materials, work in process, finished goods, book debts and other movable assets on pari-passu basis and by joint and several guarantee of the Directors of the Company. Loan from Banks are repayable on demand and carried interest @ 7.20% to 7.90% p.a. | |
| b. | Overdraft facilities has been taken from bank against Lien mark of Fixed Deposits as shown under the head "Other Current & Non Current Financial Assets" | |

17. TRADE PAYABLES

(₹ In lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|-------------------------|
| Trade Payables | | |
| Total Outstanding dues of Micro Enterprises and Small Enterprises | 1,085.79 | 619.39 |
| Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises* | 16,385.96 | 10,243.47 |
| | 17,471.75 | 10,862.86 |
| Footnotes : | | |
| a. | *Includes amount due to related parties amounting to ₹ 269.58 Lacs (March 31, 2021 ₹ 689.20 Lacs)-Refer Note-39 | |
| b. | Refer note 40 for information on total Outstanding dues of Micro Enterprises and Small Enterprises | |
| c. | Ageing of Trade Payables | |

As at March 31, 2022

| Particulars | Not Due | Outstanding for following periods from the date of transaction | | | | Total |
|---|-----------------|--|--------------|--------------|--------------|------------------|
| | | < 1 year | 1-2 Years | 2-3 Years | > 3 Years | |
| (I) Micro Small and Medium Enterprise (MSME) | 659.02 | 426.77 | - | - | - | 1,085.79 |
| (ii) Creditors other than Micro Enterprises and Small Enterprises | 5,432.99 | 10,870.10 | 23.44 | 44.95 | 14.48 | 16,385.96 |
| (iii) Disputed dues -MSME | - | - | - | - | - | - |
| (iv) Disputed dues -Others | - | - | - | - | - | - |
| Total | 6,092.01 | 11,296.87 | 23.44 | 44.95 | 14.48 | 17,471.75 |

As at March 31, 2021

| Particulars | Not Due | Outstanding for following periods from the date of transaction | | | | Total |
|---|-----------------|--|--------------|--------------|--------------|------------------|
| | | < 1 year | 1-2 Years | 2-3 Years | > 3 Years | |
| (I) Micro Small and Medium Enterprise (MSME) | 177.88 | 441.51 | - | - | - | 619.39 |
| (ii) Creditors other than Micro Enterprises and Small Enterprises | 3,480.14 | 6,682.15 | 54.52 | 15.13 | 11.53 | 10,243.47 |
| (iii) Disputed dues -MSME | - | - | - | - | - | - |
| (iv) Disputed dues -Others | - | - | - | - | - | - |
| Total | 3,658.02 | 7,123.66 | 54.52 | 15.13 | 11.53 | 10,862.86 |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

18. OTHER FINANCIAL LIABILITIES

(₹ In lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------|-------------------------|-------------------------|
| Non Current | | |
| Security Received from Customers* | 1,425.13 | 1,339.66 |
| | 1,425.13 | 1,339.66 |
| Current | | |
| Unclaimed Dividend** | 95.09 | 87.03 |
| Capital Creditors | 485.70 | 29.59 |
| Other Payable*** | 8,511.42 | 9,967.47 |
| | 9,092.21 | 10,084.09 |

Footnotes :

- *Security Received from Customers includes Security Received from C&F Agents
- **There are no Outstanding dues to be paid to Investor Education & Protection Fund.
- ***Other payables includes Employee related costs and provision of Expenses and discounts and rebates on sale.

19. PROVISIONS

(₹ In lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Provision For Employee Benefits | | |
| Non Current | | |
| Provision for Gratuity | 13.23 | 33.60 |
| Provision for Compensated absences | 10.57 | 66.52 |
| | 23.80 | 100.12 |
| Current | | |
| Provision for Compensated absences | - | 24.71 |
| | - | 24.71 |
| Footnotes : | | |
| a. Refer note 35(b) for information on Defined benefit plans-Gratuity | | |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

20 DEFERRED TAX LIABILITIES (NET)

(₹ In lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------|-------------------------|-------------------------|
| Deffered Tax Liabilities | 918.39 | 1,109.98 |
| Deffered Tax Assets | (362.19) | (280.51) |
| | 556.20 | 829.47 |

| | As at April 1, 2020 | Recognized in P&L | As at March 31, 2021 |
|---|------------------------|----------------------|-------------------------|
| Deferred tax (assets)/ liabilities are attributable to the following items : | | | |
| Deferred Tax Liabilities | | | |
| Property, plant and equipment & Intangible assets | 603.44 | 50.10 | 653.54 |
| Investments | 183.39 | 273.05 | 456.44 |
| | Total-(A) | 323.15 | 1,109.98 |
| Deferred Tax Assets | | | |
| Trade Receivables | (246.23) | - | (246.23) |
| Lease Liability | (6.69) | (27.59) | (34.28) |
| | Total-(B) | (27.59) | (280.51) |
| Net Deferred Tax Liability | (A+B) | 295.56 | 829.47 |

| | As at April 1, 2021 | Recognized in P&L | As at March 31, 2022 |
|---|------------------------|----------------------|-------------------------|
| Deferred tax (assets)/ liabilities are attributable to the following items : | | | |
| Deferred Tax Liabilities | | | |
| Property, plant and equipment & Intangible assets | 653.54 | (30.19) | 623.35 |
| Investments | 456.44 | (161.40) | 295.04 |
| | Total-(A) | (191.59) | 918.39 |
| Deferred Tax Assets | | | |
| Trade Receivables | (246.23) | (35.29) | (281.52) |
| Lease Liability | (34.28) | (46.39) | (80.67) |
| | Total-(B) | (81.68) | (362.19) |
| Net Deferred Tax Liability | (A+B) | (273.27) | 556.20 |

21. OTHER LIABILITIES

(₹ In lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------|-------------------------|-------------------------|
| Non Current | | |
| Advances from customers | - | - |
| | | |
| Current | | |
| Advances from customers | 1,031.88 | 3,193.63 |
| Statutory dues payable | 1,267.02 | 1,624.74 |
| | 2,298.90 | 4,818.37 |

22. CURRENT TAX LIABILITIES (NET)

(₹ In lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------------|-------------------------|-------------------------|
| Income Tax payable (Net of advance) | 1,128.43 | 581.26 |
| | 1,128.43 | 581.26 |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

23. REVENUE FROM OPERATIONS

(₹ In lacs)

| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|--|------------------|--------------------------------------|--------------------------------------|
| a. Revenue From Operations | | | |
| Sales of products | | | |
| Finished Goods | | | |
| -Agrochemical | | 1,22,875.60 | 1,20,465.38 |
| Traded Goods | | | |
| -Agrochemical | | 23,283.84 | 16,736.46 |
| | (A) | 1,46,159.44 | 1,37,201.84 |
| Other operating revenues | | | |
| Income from Power Generation Plant | | 168.17 | 154.22 |
| Scrap Sales | | 356.07 | 237.76 |
| Tax Incentive from Govt. | | 1,093.84 | 1,153.05 |
| | (B) | 1,618.08 | 1,545.03 |
| Total Revenue | (A) + (B) | 1,47,777.52 | 1,38,746.87 |
| b. Reconciliation of Revenue from contract with customers : | | | |
| Revenue as per contracted price | | 1,56,819.75 | 1,50,328.06 |
| Less : Discounts & Rebates | | 9,042.23 | 11,581.19 |
| Revenue from contract with customers | | 1,47,777.52 | 1,38,746.87 |
| c. Contract balances : | | | |
| The following table provides information about receivables, contract assets and contract liabilities from contracts with customers : | | | |
| | | As at March 31, 2022 | As at March 31, 2021 |
| Trade Receivables* | | 28,249.16 | 24,266.38 |
| | | 28,249.16 | 24,266.38 |
| Contract Liabilities | | | |
| Advances from Customers | | 1,031.88 | 3,193.63 |
| | | 1,031.88 | 3,193.63 |
| * Trade receivables are non-interest bearing and are generally on terms of 90 to 120 days. | | | |
| d. The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) is as follows : | | | |
| | | As at March 31, 2022 | As at March 31, 2021 |
| Advances from customers | | 1,031.88 | 3,193.63 |
| | | 1,031.88 | 3,193.63 |

24. OTHER INCOME

(₹ In lacs)

| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|--|--|--------------------------------------|--------------------------------------|
| Interest Income on Financial Assets at amortised cost | | 1,386.80 | 1,569.53 |
| Dividend Income | | 25.00 | - |
| Net Gain on sale of investments | | 464.12 | 335.87 |
| Net Gain on Investments measured at fair value through profit or loss | | 842.77 | 1,129.71 |
| Other Non-Operating Income | | | |
| Rent Received | | 7.15 | 9.14 |
| Miscellaneous Receipts | | 552.31 | 39.39 |
| Net Gain on Foreign Currency Transactions | | - | 252.42 |
| Net Profit on disposal of property, plant and equipment | | 62.36 | 22.84 |
| Liabilities no longer required, Written Back | | 18.19 | 11.37 |
| | | 3,358.70 | 3,370.27 |
| a. Refer note-39 for transactions with Related Party | | | |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

25. COST OF MATERIALS CONSUMED

(₹ In lacs)

| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|--|----------------|--------------------------------------|--------------------------------------|
| Raw Materials | | | |
| Inventories at the beginning of the financial year | | 8,579.04 | 7,875.38 |
| Add : Purchases | | 75,591.65 | 68,645.32 |
| Less : Inventories at the end of the financial year | | (12,060.27) | (8,579.04) |
| Cost of Raw Material Consumed | (A) | 72,110.42 | 67,941.66 |
| Packing Materials | | | |
| Inventories at the beginning of the financial year | | 1,926.11 | 1,547.09 |
| Add : Purchases | | 8,856.50 | 8,147.42 |
| Less : Inventories at the end of the financial year | | (2,508.09) | (1,926.11) |
| Cost of Packing Materials Consumed | (B) | 8,274.52 | 7,768.40 |
| | (A)+(B) | 80,384.94 | 75,710.06 |
| Footnotes : | | | |
| a. Refer note-39 for transactions with Related Party | | | |

26. PURCHASE OF STOCK IN TRADE

(₹ In lacs)

| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|--------------|--|--------------------------------------|--------------------------------------|
| Agrochemical | | 14,614.42 | 14,120.65 |
| | | 14,614.42 | 14,120.65 |

27. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN -TRADE AND WORK-IN-PROGRESS

(₹ In lacs)

| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|---|--|--------------------------------------|--------------------------------------|
| Inventories at the end of the period | | | |
| Stock in Trade | | 3,731.48 | 4,419.21 |
| Work in Progress | | 806.01 | 596.56 |
| Finished Goods | | 15,543.11 | 13,974.21 |
| | | 20,080.60 | 18,989.98 |
| Inventories at the beginning of the period | | | |
| Stock in Trade | | 4,419.21 | 3,535.90 |
| Work in Progress | | 596.56 | 689.12 |
| Finished Goods | | 13,974.21 | 11,265.37 |
| | | 18,989.98 | 15,490.39 |
| (Increase)/Decrease in Inventories | | (1,090.62) | (3,499.59) |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

28. EMPLOYEE BENEFIT EXPENSES

(₹ In lacs)

| | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|---|--|--------------------------------------|
| Salaries, wages and bonus | 10,977.63 | 10,798.42 |
| Contribution to Provident & Other funds | 406.48 | 388.50 |
| Gratuity | 204.18 | 163.44 |
| Compensated absences | 172.47 | 226.38 |
| Staff Welfare Expenses | 289.52 | 249.95 |
| | 12,050.28 | 11,826.69 |
| Footnotes : | | |
| a. | Refer note 35(a) for information on Defined Contribution plan | |
| b. | Refer note 35(b) for information on Defined benefit plan-Gratuity | |
| c. | Refer note 35(c) for information on Other employee benefits-Compensated absences | |
| d. | Refer note-39 for transactions with Related Party | |

29. FINANCE COSTS

(₹ In lacs)

| | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Interest on bank overdraft & working capital limits | 10.29 | 11.45 |
| Interest on lease liability | 303.52 | 201.66 |
| Interest on Security Deposits & others | 6.46 | 56.27 |
| | 320.27 | 269.38 |

30. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ In lacs)

| | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Depreciation on Property, Plant & Equipment (Refer Note-4) | 1,585.27 | 1,474.07 |
| Amortization of Intangible Assets (Refer Note-6) | 42.48 | 43.93 |
| | 1,627.75 | 1,518.00 |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

31. OTHER EXPENSES

(₹ In lacs)

| | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Power,fuel,electricity & water charges | 180.66 | 168.60 |
| Consumable Stores | 97.47 | 115.01 |
| Packing Charges | 526.32 | 399.46 |
| Repair & Maintenance, Machinery | 114.92 | 99.32 |
| Repair & Maintenance, Factory Building | 142.90 | 88.03 |
| Incineration Charges | 6.89 | 2.01 |
| Security Charges | 98.81 | 58.23 |
| Laboratory Expenses | 49.15 | 32.46 |
| ISI Marking Fees | 7.45 | 5.48 |
| R&D Expenses | 384.77 | 239.03 |
| Travelling and Conveyance | 770.11 | 506.44 |
| Communication Expenses | 106.29 | 122.42 |
| Postage and Telegram | 27.95 | 26.93 |
| Printing and Stationery | 53.11 | 48.24 |
| Office and Godown Rent | 58.50 | 241.59 |
| Rates and Taxes | 32.19 | 78.14 |
| Insurance Charges | 456.90 | 662.71 |
| Legal and Professional Charges | 796.99 | 522.15 |
| Repair & Maintenance-Building | 219.11 | 672.56 |
| Repair & Maintenance-Other | 348.70 | 247.05 |
| Security Charges-Offices | 26.40 | 34.80 |
| Electricity & Water Charges | 47.27 | 57.25 |
| Books and Periodicals | 0.96 | 1.91 |
| Recruitment Expenses | 100.01 | 64.86 |
| Fees and Subscription | 46.33 | 39.39 |
| Charity and Donation | 7.74 | 1.21 |
| Bank Charges | 23.39 | 15.15 |
| Miscellaneous Expenses | 9.08 | 4.28 |
| Directors' Sitting Fee | 23.55 | 15.20 |
| Payment to Auditors (Refer Note 31.1) | 21.10 | 20.12 |
| Vehicles Hiring & Maintenance | 1,347.37 | 1,048.45 |
| Net Loss on Foreign Currency Transactions | 138.21 | - |
| Property, Plant and Equipment Written Off | 19.48 | - |
| CSR Expenses (Refer Note 31.2) | 406.67 | 331.13 |
| Education and Seminar | 603.20 | 182.55 |
| Advertisement and Publicity | 1,209.27 | 985.08 |
| Business Promotion Expenses | 198.30 | 84.18 |
| Allowance for Bad and Doubtful Debts & Loans (Net) | 332.52 | 511.96 |
| Freight & Cartage on STV & Sales | 3,920.49 | 3,814.45 |
| Field Assistant Expenses | 1,397.49 | 1,095.22 |
| C&F Commission | 1,111.63 | 1,035.26 |
| | 15,469.65 | 13,678.31 |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

| | | (₹ In lacs) | |
|-------------|---|--------------------------------------|--------------------------------------|
| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
| 31.1 | Payment to Auditors | | |
| | Statutory Auditors | | |
| | Audit Fees | 15.12 | 13.00 |
| | Limited Review Fees | 3.00 | 3.00 |
| | Tax Audit Fees | 2.00 | 2.00 |
| | Certification & Other Matters | - | 2.00 |
| | Reimbursement of expenses | 0.98 | 0.12 |
| | TOTAL | 21.10 | 20.12 |
| 31.2 | Amount Spent on CSR Activities | | |
| | Gross amount required to be spent by the company during the year | 403.61 | 330.85 |
| | Amount spent during the year | | |
| | Promotion of Education | 356.93 | 160.00 |
| | Promotion of Sports | 0.25 | - |
| | Preventive Healthcare | 28.73 | 162.38 |
| | Eradicating Hunger | 8.25 | - |
| | Rural Development | - | 5.00 |
| | Livelihood Enhancement Projects | 1.00 | 1.00 |
| | Environmental Sustainability | 11.51 | 2.75 |
| | | 406.67 | 331.13 |
| 32. | INCOME TAX EXPENSE | | (₹ In lacs) |
| a. | Income tax recognized in profit or loss | | |
| | | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
| | Current tax expense | | |
| | Current Tax | 7,143.32 | 7,142.10 |
| | Tax of earlier year provided / (written back) | - | - |
| | Deferred tax expense | | |
| | Origination and reversal of temporary differences | (273.27) | 295.56 |
| | | 6,870.05 | 7,437.66 |
| b. | Reconciliation of effective tax rate | | |
| | Profit before tax | 27,759.53 | 28,493.64 |
| | Tax using the Company's domestic tax rate i.e. 25.168% | 6,986.52 | 7,171.28 |
| | Effect of Expenses not deductible for tax purpose | 144.04 | 176.20 |
| | Effect of Income Exempt from tax | (19.81) | (23.76) |
| | Effect of Concessions and Tax incentives | (0.46) | (0.61) |
| | Effect of Lower tax Rate for the capital gains | (228.05) | (15.12) |
| | Other | 48.06 | 32.67 |
| | Adjustment in respect of Deferred tax related to earlier years | (60.25) | 97.00 |
| | Income tax Expenses recognised in the statement of profit and loss | 6,870.05 | 7,437.66 |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

33. OTHER COMPREHENSIVE INCOME

(₹ In lacs)

| | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| (i) Items that will not be reclassified to profit or loss | | |
| Remeasurements of the defined benefit plans | 190.95 | 129.82 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | - | - |
| (i) Items that will be reclassified to profit or loss | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | - | - |
| | 190.95 | 129.82 |

34. Earnings Per Share (EPS)

| | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Net Profit for Basic & diluted EPS (₹ In Lacs) | 20,889.48 | 21,055.98 |
| Number of Equity Shares at the beginning of the year | 4,65,78,324.00 | 4,75,78,324.00 |
| Add: Shares issued during the year | - | - |
| Less : Shares bought back during the year | - | 10,00,000.00 |
| Total Number of Shares outstanding at the end of the year | 4,65,78,324.00 | 4,65,78,324.00 |
| Weighted Average number of Equity Shares outstanding during the year | 4,65,78,324.00 | 4,71,97,502.08 |
| Earnings Per Share - Basic (₹) | 44.85 | 44.61 |
| Earnings per share - Diluted (₹) | 44.85 | 44.61 |
| Face value per share (₹) | 2.00 | 2.00 |

35. EMPLOYEE BENEFITS

The group participates in defined contribution and benefit schemes, the funded assets of which are held in separately administered funds. For defined contribution schemes the amount charged to the statements of profit & loss is the total of contributions payable in the year.

a. Defined Contribution Plans

The group has Defined Contribution Plans for post-employment benefits namely Provident Fund, Superannuation Fund and National Pension Scheme, which are administered by appropriate Authorities.

The group contributes to a Government administered Provident Fund, Employees' Deposit Linked Insurance Scheme and Employee Pension Scheme, on behalf of its employees and has no further obligation beyond making its contribution.

The Superannuation Fund and National Pension Scheme applicable to certain employees is a Defined Contribution Plan as the group contributes to these Schemes which are administered by an Insurance Company and has no further obligation beyond making the payment to the Insurance Company.

The group contributes to State Plans namely Employees' State Insurance Fund and has no further obligation beyond making the payment to them.

The group's contributions to the above funds are charged to revenue every year.

The group has recognized an expense of ₹405.08 lacs (Previous year ₹ 387.14 lacs) towards the defined contribution plans.



Notes to Consolidated Financial Statements for the year ended March 31, 2022

b. Defined Benefit Plans

In accordance with the payment of Gratuity Act, 1972, the group has a Defined Benefit Plan namely "Gratuity Plan" covering its employees. The Gratuity scheme is funded through Group Gratuity-cum-Life Assurance Scheme and the liability for the Gratuity plan is provided based on an actuarial valuation at the year-end. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

I. Changes in the Present Value of Obligation

(₹ In lacs)

| Particulars | For the year ended | |
|---|--------------------|----------------|
| | 31-Mar-22 | 31-Mar-21 |
| Present Value of Obligation as at the beginning | 1818.22 | 1498.24 |
| Current Service Cost | 201.94 | 135.64 |
| Interest Expense or Cost | 120.83 | 83.84 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | |
| - change in demographic assumptions | 47.90 | 266.71 |
| - change in financial assumptions | (77.09) | 25.85 |
| - experience variance (i.e. Actual experience vs assumptions) | (93.18) | (120.25) |
| Past Service Cost | | |
| Benefits Paid | (190.32) | (71.81) |
| Present Value of Obligation as at the end | 1828.30 | 1818.22 |

II. Changes in the fair value of plan assets

(₹ In lacs)

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | 31-Mar-22 | 31-Mar-21 |
| Fair Value of Plan Assets as at the beginning | 1784.62 | 1001.40 |
| Investment Income | 118.60 | 56.04 |
| Employer's Contribution | 33.60 | 496.86 |
| Benefits Paid | (190.32) | (71.81) |
| Return on plan assets, excluding amount recognized in net interest expense | 68.57 | 302.13 |
| Fair Value of Plan Assets as at the end | 1815.07 | 1784.62 |

The plan assets are managed by the Gratuity trust formed by the group. The management of 100% of the funds is entrusted with the Life Insurance Corporation of India and HDFC Life Insurance Company Limited whose pattern of investment is not available with the group.



Notes to Consolidated Financial Statements for the year ended March 31, 2022

III. Assets and Liability (Balance Sheet Position)

(₹ In lacs)

| Particulars | As at | |
|----------------------------------|----------------|----------------|
| | 31-Mar-22 | 31-Mar-21 |
| Present Value of Obligation | 1828.30 | 1818.22 |
| Fair Value of Plan Assets | 1815.07 | 1784.62 |
| Surplus / (Deficit) | (13.23) | (33.60) |
| Effects of Asset Ceiling, if any | - | - |
| Net Asset / (Liability) | (13.23) | (33.60) |

IV. Bifurcation of present value of obligation at the end of the year

(₹ In lacs)

| Particulars | As at | |
|------------------------------------|----------------|----------------|
| | 31-Mar-22 | 31-Mar-21 |
| Current Liability (Short term) | 231.80 | 247.20 |
| Non-Current Liability (Long term) | 1596.50 | 1571.02 |
| Present Value of Obligation | 1828.30 | 1818.22 |

V. Expenses Recognized during the period

(₹ In lacs)

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | 31-Mar-22 | 31-Mar-21 |
| In Profit & loss : | | |
| Current Service Cost | 201.95 | 135.64 |
| Net Interest Cost/(Income) on the net defined benefit liability/(Asset) | 2.23 | 27.80 |
| Components of defined benefit costs recognised in profit & loss | 204.18 | 163.44 |
| In Other Comprehensive Income : | | |
| Actuarial (gains)/losses | | |
| -Change in demographic assumptions | 47.90 | 266.71 |
| -Change in financial assumptions | (77.09) | 25.85 |
| -Experience variance (i.e. Actual experience vs assumptions) | (93.19) | (120.25) |
| Return on plan assets, excluding amount recognised in net interest expense | (68.57) | (302.13) |
| Components of defined benefit costs recognised in other comprehensive income | (190.95) | (129.82) |

VI. Actuarial Assumptions

(₹ In lacs)

| Particulars | As at | |
|---|-----------|-----------|
| | 31-Mar-22 | 31-Mar-21 |
| Discount rate (per annum) | 7.15% | 6.65% |
| Salary growth rate (per annum) | 11.50% | 11.50% |
| Mortality rate {% of IALM 12-14 (P.Y. 06-08)} | 100.00% | 100.00% |
| Attrition / Withdrawal rate (per annum) | 5.00% | 5.00% |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

VII. Sensitivity Analysis

Significant actuarial assumptions for the determination of defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis given below:

(₹ In lacs)

| Particulars | 31-Mar-22 | | 31-Mar-21 | |
|--|-----------|----------|-----------|----------|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / + 1%) | 2005.40 | 1676.72 | 1989.73 | 1671.54 |
| (% change compared to base due to sensitivity) | 9.70% | -8.30% | 9.40% | -8.10% |
| Salary Growth Rate (- / + 1%) | 1682.99 | 1994.15 | 1678.38 | 1977.84 |
| (% change compared to base due to sensitivity) | -7.90% | 9.10% | -7.70% | 8.80% |
| Attrition Rate (- / + 50% of attrition rates) | 1955.88 | 1735.37 | 1951.67 | 1721.54 |
| (% change compared to base due to sensitivity) | 7.00% | -5.10% | 7.30% | -5.30% |
| Mortality Rate (- / + 10% of mortality rates) | 1829.67 | 1826.94 | 1819.52 | 1816.93 |
| (% change compared to base due to sensitivity) | 0.10% | -0.10% | 0.10% | -0.10% |

VIII. Expected Contribution during the next annual reporting period

| | |
|--|--------|
| The group's best estimate of Contribution during the next year | 239.59 |
|--|--------|

IX. Maturity profile of defined Benefit obligation

(₹ In lacs)

| Expected cash flows over the next (valued on undiscounted basis): | Amount |
|---|---------|
| 1 year | 231.80 |
| 2 to 5 years | 607.97 |
| 6 to 10 years | 811.54 |
| More than 10 years | 2491.28 |

X. Method and assumption related terms

- Discount Rate:** - Discount rate is the rate which is used to discount future benefit cash flows to determine the present value of the defined benefit obligation at the valuation date. The rate is based on the prevailing market yields of high quality corporate bonds at the valuation date for the expected term of the obligation. In countries where there are no such bonds, the market yields at the valuation date on government bonds for the expected term is used.
- Salary escalation Rate:** - The rate at which salaries are expected to escalate in future. It is used to determine the benefit based on salary at the date of separation.
- Attrition Rate:** - The reduction in staff/employees of a company through normal means, such as retirement and resignation. This is natural in any business and industry.
- Mortality Rate:** - Mortality rate is a measure of the number of deaths (in general, or due to a specific cause) in a population, scaled to the size of that population, per unit of time.
- Projected Unit credit method:** - The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The Projected Unit Credit Method requires an enterprise to attribute benefit to the current period (in order to determine current service cost) and the current and prior periods (in order to determine the present value of defined benefit obligations).



Notes to Consolidated Financial Statements for the year ended March 31, 2022

c. Other Long term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in statement of profit and loss.

The group has recognized an expense of ₹ 172.47 lacs (Previous year ₹ 226.38 lacs) towards the compensated absences

36. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In lacs)

| s. No. | Particular | As at March 31, 2022 | As at March 31, 2021 |
|-----------|---|----------------------|----------------------|
| a. | Claims against the company not acknowledged as debt* | | |
| | -Income Tax | 490.86 | 168.64 |
| | -Excise Duty (Net of Expenses recognized of Rs. 70.70 lacs) | 637.81 | 637.81 |
| | -Service Tax (Net of Expenses recognized of Rs. 65.20 lacs) | 111.05 | 111.05 |
| | -Sales Tax | 138.15 | 138.15 |
| | -Goods and Service Tax | 7.54 | 0.00 |
| | -Litigation pending in consumer forum | 124.51 | 99.91 |
| | -Other** | 2980.00 | 2980.00 |
| b. | Guarantees excluding financial guarantees | | |
| | -Bank Guarantees | 8.00 | 5.00 |
| c. | Other money for which the company is contingently liable | | |
| | -'C' forms pending against central sales tax | 0.01 | 0.01 |
| d. | There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. Due to pending decision on the subject review petition and directions from EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts. | | |
| II | Commitments | | |
| | -Estimated amount of contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 443.85 lacs (March 31, 2021 : ₹ 43.45 lacs)} | 2070.89 | 224.32 |

* Pending resolution of the respective proceedings, it is not practicable for the group to estimate the timings of the cash outflows, if any, in respect of the above as it is determinable only on receipt of the judgements/ decisions pending with various forums / authorities.

The group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The group also believes that the above issues, when finally settled are not likely to have any significant impact on the financial position of the group.

** Group has received Refund of Terminal Excise Duty (TED) during FY 2015-16 & FY 2016-17 from Director General of Foreign Trade (DGFT). In November-2019, group has received show cause notice from DGFT for recovery of erroneous payment of Terminal Excise Duty. Against this notice, group has filed writ before Gujarat High Court and the court has stayed the recovery of the notice. As on now the matter is pending before Gujarat High Court.



Notes to Consolidated Financial Statements for the year ended March 31, 2022

37. LEASES

The group's lease asset primarily consist of leases for offices, warehouses and Vehicles having the various lease terms. Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the cumulative effect of initially applying the standard recognised at the date of initial application, with right-of-use asset recognised at an amount equal to the lease liability, adjusted by the prepaid lease rent

The adoption of Ind AS 116 did not have any material impact on Statement of profit and loss and earnings per share.

Presentational changes:

The first-time application of Ind AS 116 as of April 1, 2019, resulted in the recognition of lease liabilities and Right-of-use assets adjusted by the amount of prepaid lease Rental.

In the Statement of Profit and Loss, the group recognised the depreciation of the right-of-use assets and the interest expense for the lease liabilities under Ind AS 116 instead of Rent expenses for operating leases in Other Operating Expenses as per Ind AS 17.

In the Statement of Cash Flows, Ind AS 116 had a positive effect on the operating cash flow by reducing cash outflows from operating activities, while the repayment component of lease payments and the interest expense are recognised in cash outflows from financing activities.

a. Right of Use

Following is carrying value of right of use assets and the movements thereof during the year ended are as under :-

(₹ In lacs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Opening Balance | 4039.95 | 611.64 |
| Additions during the Year | 224.05 | 3910.11 |
| Depreciation Charge | (559.27) | (480.93) |
| Early cancellation/Modification of lease | (776.06) | (0.87) |
| Carrying amount at the end of the year | 2928.67 | 4039.95 |

b. Lease Liability

The following is the carrying value of lease liability and movement thereof during the year ended are as under:

(₹ In lacs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Opening Balance | 4007.15 | 489.02 |
| -Additions during the Year | 221.11 | 3867.94 |
| -Finance Cost accrued during the year | 303.52 | 201.66 |
| -Cash outflow/payment of Lease liability | (665.81) | (550.52) |
| -Early cancellation/Modification of lease | (781.55) | (0.95) |
| Carrying amount at the end of the year | 3084.42 | 4007.15 |

- The group has elected Para 6 of Ind AS-116 for short-term leases & recognised lease expense of Rs. 58.50 lacs (Previous Year ₹ 241.59 lacs) associated with these lease.
- The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.
- The Maturity analysis of lease liabilities are disclosed in Note 42(b)



Notes to Consolidated Financial Statements for the year ended March 31, 2022

38. SEGMENT INFORMATION

The group has evaluated the applicability of segment reporting and has concluded that the group has only one primary business segment i.e. Agro Chemicals and one geographical reportable segment i.e. Operations mainly within India. The overall performance is reviewed by the Chairman, Managing Director, COO and CFO, which has been identified as the CODM (Chief operating decision makers) by the group.

Thus the segment revenue, expenses, results, assets and liabilities are same as reflected in the financial statements as at and for the year ended 31 March, 2022.

39. RELATED PARTY DISCLOSURES

a. Nature of Related Party Relationship

I. Key Management personnel

| | |
|--------------------------------|---|
| a.) Sh. Ram Gopal Agarwal | Chairman |
| b.) Sh. Mahendra Kumar Dhanuka | Managing Director |
| c.) Sh. Arun Kumar Dhanuka | Executive Director |
| d.) Sh. Rahul Dhanuka | Chief Operating Officer (w.e.f 21st May, 2021) and Executive Director |
| e.) Sh. Mridul Dhanuka | Executive Director (Till 28 th June, 2020) |
| f.) Sh. Mridul Dhanuka | Non-Executive Director (W.e.f. 29 th June, 2020) |
| g.) Sh. Harsh Dhanuka | Executive Director |
| h.) Sh. Ashish Saraf | Executive Director |
| i.) Sh. Priya Brat | Independent Non-Executive Director |
| j.) Sh. Vinod Kumar Jain | Independent Non-Executive Director |
| k.) Sh. Indresh Narain | Independent Non-Executive Director (Till 21 st May, 2020) |
| l.) Sh. Sachin Kumar Bhartiya | Independent Non-Executive Director |
| m.) Sh. Sanjay Saxena | Independent Non-Executive Director |
| n.) Sh. Siraj Azmat Chaudhry | Independent Non-Executive Director (W.e.f. 22 nd July, 2020) |
| o.) Sh. Bajrang Lal Bajaj | Independent Non-Executive Director |
| p.) Smt. Namrata Gupta | Independent Non-Executive Director |
| q.) Sh. Vinod Kumar Bansal | Chief Financial Officer |
| r.) Sh. Jitin Sadana | Company Secretary |

II. Relatives of Key Management Personnel with whom transactions have taken place

| | |
|------------------------------|------------------------------------|
| a.) Smt. Megha Dhanuka | Wife of Sh. Mridul Dhanuka |
| b.) Smt. Akangsha Dhanuka | Wife of Sh. Harsh Dhanuka |
| c.) Smt. Madhuri Dhanuka | Wife of Sh. Rahul Dhanuka |
| d.) Smt. Uma Dhanuka | Wife of Sh. Mahendra Kumar Dhanuka |
| e.) Smt. Mamta Dhanuka | Wife of Sh. Arun Kumar Dhanuka |
| f.) Smt. Urmila Dhanuka | Wife of Sh. Ram Gopal Agarwal |
| g.) Sh. Arjun Dhanuka | Son of Sh. Arun Kumar Dhanuka |
| h.) Sh. Satya Narain Agarwal | Brother of Sh. Ram Gopal Agarwal |
| i.) Sh. Manish Dhanuka | Brother of Sh. Arun Kumar Dhanuka |

III. Entities controlled by KMP/Relative of KMP, with whom transactions have taken place

| | |
|---|--|
| a.) Dhanuka Marketing Company | j.) H.D. Realtors Pvt. Limited |
| b.) Mridul Dhanuka HUF | k.) Dhanuka Infotech Pvt. Limited |
| c.) Dhanuka Private Limited | l.) Otsuka Chemical (India) Pvt. Limited |
| d.) Dhanuka Laboratories Limited | m.) IKO Overseas |
| e.) Chiranji Lal Dhanuka Charitable Trust | n.) Synmedic Laboratories |
| f.) Triveni Trust | o.) Synmedic Laboratories Pvt. Ltd. |
| g.) Sikkim Agro Industries Limited | p.) Mahendra Kumar Dhanuka HUF |
| h.) Golden Overseas Pvt. Limited | q.) Pushpa Dhanuka Trust |
| i.) M.D. Buildtech Pvt. Limited | |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

b. The following transactions were carried out with related parties in the ordinary course of business:

(₹ In lacs)

| Transaction type | Type of Relation | 2021-22 | | | 2020-21 | | |
|---|------------------|-------------------------------|-----------------|------------------------------|-------------------------------|-----------------|------------------------------|
| | | Transaction during the period | | | Transaction during the period | | |
| | | Pur./ Amt Recd. | Sales/ Amt Paid | Balance outstanding Dr.(Cr.) | Pur./ Amt Recd. | Sales/ Amt Paid | Balance outstanding Dr.(Cr.) |
| Compensation to KMP | | | | | | | |
| Short term employee benefits | a(I) | - | 2840.11 | - | - | 2892.36 | - |
| Post-employment benefits* | | - | 46.00 | - | - | 49.69 | - |
| Sitting Fee to Independent Non-Executive Directors. | | - | 23.55 | - | - | 15.20 | - |
| Total | | - | 2909.66 | (311.41) | - | 2957.25 | (1149.35) |
| Other Transactions | | | | | | | |
| Sale of Goods | a(III)d | - | - | - | - | 1.46 | - |
| Purchase of Goods | a(III)d | 63.10 | - | (34.12) | - | - | - |
| Services Rendered-Rent | a(III) | - | 2.22 | 1.27 | - | 2.40 | - |
| Services Received-Rent | a(II) & a(III) | 488.38 | - | - | 370.61 | - | - |
| Security Deposit Given | a(III)c | - | - | - | - | 20.00 | - |
| Loans Given/Repayment Received | a(III)d | 5000.00 | 1100.00 | - | 500.00 | 1900.00 | 3900.00 |
| Interest on Loan | a(III)d | 101.81 | - | - | 311.48 | - | - |
| Travel/Other expenses | a(III)a | - | 4.89 | (5.57) | - | 7.52 | (6.12) |
| Contribution towards CSR | a(III)e | - | 233.57** | - | - | 130.00** | - |
| Services Received-C&F Commission | a(III)a | 611.88 | - | (191.67) | 597.89 | - | (683.08) |
| Buy Back of Equity Shares | a(I) | - | - | - | - | 165.22 | - |
| Buy Back of Equity Shares | a(II) | - | - | - | - | 80.11 | - |
| Buy Back of Equity Shares | a(III) | - | - | - | - | 6410.93 | - |

Note-Figures are shown net of GST, wherever applicable.

*The above post-employment benefits exclude gratuity which cannot be separately identified from the composite amount advised by the actuary.

** Out of total amount, payment amounting to Rs. 228.57 Lakhs (Previous year ₹ 130.00 lacs) has been made to M/s Kalptaru Real Estate for construction of school building which is in the name of M/s Chiranjee Lal Dhanuka Charitable Trust.

c. Terms and conditions of transactions with related parties

All the transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The group has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended March 31, 2022 and March 31, 2021.



Notes to Consolidated Financial Statements for the year ended March 31, 2022

40. THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

The information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the group:

(₹ In lacs)

| S. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------|---|----------------------|----------------------|
| 1.) | Principal amount and Interest due thereon remaining unpaid to any supplier covered under MSMED Act as on 31st March | | |
| | Principal | 1,072.14 | 605.78 |
| | Interest | 0.04 | 0.02 |
| 2.) | Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year | - | - |
| 3.) | The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | - | - |
| 4.) | The amount of interest accrued and remaining unpaid at the end of each accounting year. | 13.65 | 13.61 |
| 5.) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act. | - | - |

41. FINANCIAL INSTRUMENTS

I. Financial Assets-Fair values

(₹ In lacs)

| Particulars | Fair Value Hierarchy | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|----------------------|
| 1. Financial assets designated at fair value through profit and loss | | | |
| a) Investment | | | |
| i) In Equity Instruments | Level-1 | 11909.47 | 8054.55 |
| ii) In Equity Instruments | Level-2 | - | 238.70 |
| iii) In Preference Shares | Level-1 | - | 568.27 |
| iv) In Preference Shares | Level-2 | 2000.54 | - |
| v) In mutual funds | Level-1 | 10237.43 | 11791.44 |
| vi) In Debentures or Bond | Level-1 | 5334.68 | 3725.50 |
| vii) In Debt Instruments | Level-2 | 224.25 | 381.20 |
| 2. Financial assets designated at amortized cost | | | |
| a) Investment | | | |
| i) In Debentures or Bond* | | 3882.30 | 3037.97 |
| b) Trade receivables | | 28249.16 | 24266.38 |
| c) Cash & Cash Equivalents | | 148.48 | 61.38 |
| d) Other bank balances | | 95.09 | 87.03 |
| e) Loans | | 83.42 | 3979.86 |
| f) Other Financial Assets | | 9486.37 | 5469.97 |

*Net of Provision for Doubtful Debts ₹ 315.14 lacs (March 31, 2021 : ₹ 219.00 lacs)



Notes to Consolidated Financial Statements for the year ended March 31, 2022

II Financial liabilities - Fair value

(₹ In lacs)

| Particulars | Fair Value Hierarchy | As at March 31,2022 | As at March 31,2021 |
|---|----------------------|---------------------|---------------------|
| 1. Financial liability designated at amortized cost | | | |
| a) Borrowings | | 96.24 | 835.84 |
| b) Trade Payables | | | |
| -Total Outstanding dues of Micro Enterprises and Small Enterprises | | 1085.79 | 619.39 |
| -Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | | 16385.96 | 10243.47 |
| c) Lease Liability | | 3084.42 | 4007.15 |
| d) Other Financial Liability | | 10517.34 | 11423.75 |

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The carrying amounts of cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, Short term loans, trade payables, short term borrowings and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature. Fair value for security deposits (other than perpetual security deposits) has been presented in the above table. Fair value for all other non-current financial assets and liabilities is equivalent to the amortized cost, interest rate on them is equivalent to the market rate of interest.

III. Fair Value hierarchy

Level 1 - This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

IV. Valuation techniques used to determine fair value

Level 1 – Financial assets categorized in Level 1, are fair valued based on market data as at reporting date.

Level 2 - The fair valuation of investments categorized in Level 2 has been determined on the basis of independent valuation done by respective funds.

42. FINANCIAL RISK MANAGEMENT

The group's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The group realizes that risks are inherent and integral aspect of any business. The group's board of directors has the overall responsibility for the management of these risks. The group has the risk management policies and systems in place and are reviewed regularly to reflect changes in market conditions and the group's activities. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The group's audit committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of risk management framework in relation to the risks faced by the group.

a.) Credit Risk

Credit Risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the group. Credit risk arises from the operating activities primarily from trade receivables and from its financing activities



Notes to Consolidated Financial Statements for the year ended March 31, 2022

including cash and cash equivalents, deposits with banks, Investments and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure and is as follows:

Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. The group has established a credit policy under which each customer is analyzed individually for creditworthiness before the group's credit terms are offered. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. Credit limits are established for each customer and reviewed periodically. Any sales order exceeding those limits require approval from the appropriate authority. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

In case of trade receivables, the group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience. These loss rates are adjusted by considering the available, reasonable and supportive forward looking information.

The ageing of Trade Receivables and allowances for doubtful debts are given below:

(₹ In lacs)

| Ageing | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Ageing of Gross Carrying Amount | | |
| Not due | 22977.59 | 20587.58 |
| 0-90 | 4581.30 | 2991.98 |
| 91-180 | 450.92 | 353.41 |
| 181-270 | 60.65 | 78.41 |
| 271-360 | 45.64 | 22.02 |
| Above 360 Days | 686.45 | 696.64 |
| Gross Carrying Amount | 28802.55 | 24730.04 |
| Expected credit losses (Loss allowance provision) | 553.39 | 463.66 |
| Net Carrying Amount | 28249.16 | 24266.38 |

Reconciliation of allowance for lifetime expected credit loss on customer balances:

(₹ In lacs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------|-------------------------|-------------------------|
| Opening Balance | 463.66 | 463.66 |
| Changes in loss allowance | 89.73 | - |
| Closing balance | 553.39 | 463.66 |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

Loans to Corporates and others

ECL for loans to corporates and others is measured considering 12 months ECL.

The group provides ECL based on following provision matrix:

(₹ In lacs)

| Credit Risk Category | As at March 31, 2022 | | As at March 31, 2021 | |
|--|-------------------------|---------------|-------------------------|---------------|
| | Gross | ECL | Gross | ECL |
| There is no risk of defaults | - | - | 3900.00 | - |
| There is risk of Defaults | 450.00 | 450.00 | 450.00 | 450.00 |
| There is no reasonable expectation of recovery | 195.71 | 195.71 | 195.71 | 195.71 |
| Closing Balance | 645.71 | 645.71 | 4545.71 | 645.71 |

Following is the movements in provision for ECL on loans to corporates and others:

(₹ In lacs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------|-------------------------|-------------------------|
| Opening Balance | 645.71 | 295.71 |
| Changes in loss allowance | - | 350.00 |
| Closing balance | 645.71 | 645.71 |

Security Deposit

ECL for Security Deposit is measured considering 12 months ECL. The company provides ECL based on following provision matrix:

(₹ In lacs)

| Credit Risk Category | As at March 31, 2022 | | As at March 31, 2021 | |
|--|-------------------------|--------------|-------------------------|-------------|
| | Gross | ECL | Gross | ECL |
| There is no risk of defaults | 360.25 | - | 441.90 | - |
| There is risk of Defaults | 33.29 | 33.29 | - | - |
| There is no reasonable expectation of recovery | 1.50 | 1.50 | 1.50 | 1.50 |
| Closing Balance | 395.04 | 34.79 | 443.40 | 1.50 |

Following is the movements in provision for ECL on Security Deposit:

(₹ In lacs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------|-------------------------|-------------------------|
| Opening Balance | 1.50 | - |
| Changes in loss allowance | 33.29 | 1.50 |
| Closing balance | 34.79 | 1.50 |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

Investment in Real Estate Funds

The group provides ECL based on following provision matrix:

(₹ In lacs)

| Credit Risk Category | As at March 31, 2022 | | As at March 31, 2021 | |
|--|-------------------------|---------------|-------------------------|---------------|
| | Gross | ECL | Gross | ECL |
| There is risk of Defaults | 630.28 | 315.14 | 689.81 | 219.00 |
| There is no reasonable expectation of recovery | - | - | - | - |
| Closing Balance | 630.28 | 315.14 | 689.81 | 219.00 |

Following is the movements in provision for ECL on Investment in Real Estate Funds:

(₹ In lacs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------|-------------------------|-------------------------|
| Opening Balance | 219.00 | 219.00 |
| Changes in loss allowance | 96.14 | - |
| Closing balance | 315.14 | 219.00 |

Financial assets other than Trade Receivables, Loans to corporate & others, Security Deposit and Investment in Real Estate Funds.

Credit risks from financial transactions are managed independently by finance department. For banks and financial institutions, the group has policies and operating guidelines in place to ensure that financial instrument transactions are only entered into with high credit rated banks and financial institutions. The group had no other financial instrument that represent a significant concentration of credit risk. So there is no impairment in these financial assets.

b.) Liquidity Risk

Liquidity risks result from the possible inability of the group to meet current or future payment obligations due to lack of cash or cash equivalents. The liquidity risk is assessed and managed by the finance department as a part of day to day and medium term liquidity planning.

The group holds sufficient liquidity to ensure the fulfillment of all planned payment obligations at maturity. The group's liquidity risk policy is to maintain sufficient liquidity reserve at all times based on cash flow projections to meet payment obligation when it falls due. The primary source of liquidity is cash generated from operations.

Liquid assets are held mainly in the form of bank deposits and mutual fund investments. The group maintain flexibility in funding by maintaining availability under cash credit lines set up with banks.

The table below analyze the group's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities essential for an understanding of timing of cash flows.

(₹ In lacs)

| Particulars | Total | Less than 1 year | 1-5 years | More than 5 years |
|---|---------|------------------|-----------|-------------------|
| As at March 31, 2022 | | | | |
| Borrowings (Current) | 96.24 | 96.24 | - | - |
| Trade Payables | | | | |
| - Total Outstanding dues of Micro Enterprises and Small Enterprises | 1085.79 | 1085.79 | - | - |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

(₹ In lacs)

| Particulars | Total | Less than 1 year | 1-5 years | More than 5 years |
|--|----------|------------------|-----------|-------------------|
| - Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 16385.96 | 16385.96 | - | - |
| Security Received from customers | 1425.13 | - | - | 1425.13 |
| Unclaimed Dividend | 95.09 | 95.09 | - | - |
| Capital Creditors | 485.70 | 485.70 | - | - |
| Lease Liability | 3084.42 | 349.06 | 1755.22 | 980.14 |
| Other payable | 8511.42 | 8511.42 | - | - |
| As at March 31, 2021 | | | | |
| Borrowings (Current) | 835.84 | 835.84 | - | - |
| Trade Payables | | | | |
| - Total Outstanding dues of Micro Enterprises and Small Enterprises | 619.39 | 619.39 | - | - |
| - Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 10243.47 | 10243.47 | - | - |
| Security Received from customers | 1339.66 | - | - | 1339.66 |
| Unclaimed Dividend | 87.03 | 87.03 | - | - |
| Capital Creditors | 29.59 | 29.59 | - | - |
| Lease Liability | 4007.15 | 377.86 | 1381.23 | 2248.06 |
| Other payable | 9967.47 | 9967.47 | - | - |

c.) Market Risk

i. Currency Risk

Foreign currency risks for the group is from changes in exchange rates and the related changes in the value of financial instruments in the functional currency (INR). The group is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar. The group's exposure to changes in foreign currency other than USD is not material.

To mitigate the currency fluctuation, receivables and payables in foreign currencies which arises from export and import of goods are hedged through forward exchange contracts.

The carrying amounts of the group's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ In lacs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--------------------------|----------------------|---------------|----------------------|---------------|
| | (₹ in lacs) | (FCY in lacs) | (₹ in lacs) | (FCY in lacs) |
| Amount Receivable | | | | |
| USD | 163.05 | 2.15 | 26.00 | 0.35 |
| Amount Payable | | | | |
| USD | 5256.66 | 69.34 | 1741.52 | 23.81 |
| EURO | 116.41 | 1.38 | 47.35 | 0.55 |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

Sensitivities were determined on the basis of a scenario in which the INR appreciated/depreciated by 5% against USD compared with the year-end exchange rates. In this scenario, the estimated hypothetical (loss)/gain of cash flows from financial instruments have been tabulated below:

| (₹ In lacs) | | |
|--|------------------------|------------------------|
| Particulars (USD Impact on profit before tax and total equity) | As at March 31,2022 | As at March 31,2021 |
| Increase in exchange rate by 5% | (254.68) | (85.78) |
| Decrease in exchange rate by 5% | 254.68 | 85.78 |
| Particulars (EURO Impact on profit before tax and total equity) | As at March 31,2022 | As at March 31,2021 |
| Increase in exchange rate by 5% | (5.82) | (2.37) |
| Decrease in exchange rate by 5% | 5.82 | 2.37 |

Note: This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the group at the end of the reporting period. The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group has surplus cash position and does not have any major borrowings as on balance sheet date. So there is no material interest risk relating to the group's financial liabilities.

iii. Price Risk

The group is mainly exposed to the price risk due to its investment in mutual funds and classified in the balance sheet as fair value through profit and loss. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

There is no material equity risk relating to the group's equity investments which are detailed in note 7. The group's equity investments majorly comprise of strategic investments rather than trading purposes.

43. CAPITAL MANAGEMENT

The group manages its capital to ensure that the group will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance. Further its objective is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development.

The group manages capital using gearing ratio, which is total debt divided by total equity. The gearing at the end of the reporting period was as follows:

| (₹ In lacs) | | |
|-----------------------------------|------------------------|------------------------|
| Particulars | As at March 31,2022 | As at March 31,2021 |
| Borrowings (Non-Current) | - | - |
| Borrowings (Current) | 96.24 | 835.84 |
| Gross Debt | 96.24 | 835.84 |
| Less : Cash & Cash equivalents | 148.48 | 61.38 |
| Net Debt (a) | (52.24) | 774.46 |
| Total Equity (b) | 96041.57 | 79618.97 |
| Debt to Equity Ratio (a/b) | (0.00) | 0.01 |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

44. DISCLOSURE AS PER SECTION 186(4) OF THE COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186(4) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- Details of Investments made are given in Note 7.
- Details of loans given by the group are as follows:

(₹ In lacs)

| Name of Entity | Purpose | Amount As at March 31,2022 | Amount As at March 31,2021 |
|-------------------------------------|----------|----------------------------|----------------------------|
| Dhanuka Laboratories Limited | Business | - | 3900.00 |
| Iworld Business Solutions Pvt. Ltd. | Business | 300.00 | 300.00 |
| Prayag Polytech Pvt. Ltd. | Business | 195.71* | 195.71* |
| Tript Singh | Business | 100.00 | 100.00 |
| Sameer Kanwar | Business | 50.00 | 50.00 |

*Including interest accrued thereon.

- There are no guarantees issued by the group in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

45. DISCLOSURE AS PER REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS

(₹ In lacs)

| Particulars | Amount As at March 31,2022 | Amount As at March 31,2021 | Maximum balance outstanding during the year 31.03.2022 | Maximum balance outstanding during the year 31.03.2021 |
|--|----------------------------|----------------------------|--|--|
| Loan to company in which Directors are interested Dhanuka Laboratories Limited | - | 3900.00 | 5000.00 | 4400.00 |

46. Recent Pronouncement

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements. The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the



Notes to Consolidated Financial Statements for the year ended March 31, 2022

definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements

Ind AS 116 -Annual Improvements to Ind AS

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

47. Other Statutory Information

- a.) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- b.) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- c.) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - I. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - II. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- d.) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - I. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - II. provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- e.) The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- f.) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- g.) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- h.) The Group do not have any transactions with companies stuck off.
- i.) The Group have not been declared willful defaulter by any banks or any other financial institution at any time during the financial year.
- j.) The Group has utilized the borrowings from banks & financial institutions for specific purpose for which it was taken during the year.
- k.) The Group has been sanctioned working capital limit in excess of Rs. five crore in aggregate, at any point of time during the year from bank on the basis of security of current assets. The quarterly return/statement filed by company with the banks are in agreement with the books of account of the company of the respective quarters.



Notes to Consolidated Financial Statements for the year ended March 31, 2022

48. Subsequent Event

The Board of Directors have recommended Final Dividend of 300% i.e. Rs. 6.00 per equity share for the financial year 2021-22, subject to the approval of the Shareholders of the company in the ensuing Annual General Meeting.

49. DISCLOSURE AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT 2013 WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS

a. As at and for the year ended March 31, 2022

| Name of Entity | As at March 31,2022 | | For the Year Ended March 31,2022 | | For the Year Ended March 31,2022 | | For the Year Ended March 31,2022 | |
|----------------------------------|---|----------------------|------------------------------------|----------------------|-------------------------------------|----------------------|-------------------------------------|----------------------|
| | Net Assets, i.e. total assets minus total liabilities | | Share in profit and Loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | As % of consolidated net assets | Amount (Rs. In lacs) | As % of consolidated profit & loss | Amount (Rs. In lacs) | As % of consolidated profit & loss | Amount (Rs. In lacs) | As % of consolidated profit & loss | Amount (Rs. In lacs) |
| Parent | | | | | | | | |
| Dhanuka Agritech Ltd. | 100.00% | 96041.99 | 99.95% | 20878.22 | 100% | 190.95 | 99.95% | 21069.17 |
| Wholly owned subsidiary | | | | | | | | |
| Dhanuka Agri Solutions Pvt. Ltd. | -0.01% | -13.45 | -0.01% | -1.86 | 0.00% | - | -0.01% | -1.86 |
| Dhanuka Chemicals Pvt Ltd | 0.00% | 0.70 | -0.00 | -0.30 | 0.00% | - | -0.00 | -0.30 |
| Total | 99.99% | 96029.24 | 99.94% | 20876.06 | 100% | 190.95 | 99.94% | 21067.01 |
| Elimination | 0.01% | 12.33 | 0.06% | 13.42 | 0.00% | - | 0.06% | 13.42 |
| Total | 100% | 96041.57 | 100% | 20889.48 | 100% | 190.95 | 100% | 21080.43 |

b. As at and for the year ended March 31, 2021

| Name of Entity | As at March 31,2021 | | For the Year Ended March 31,2021 | | For the Year Ended March 31,2021 | | For the Year Ended March 31,2021 | |
|----------------------------------|---|----------------------|------------------------------------|----------------------|-------------------------------------|----------------------|-------------------------------------|----------------------|
| | Net Assets, i.e. total assets minus total liabilities | | Share in profit and Loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | As % of consolidated net assets | Amount (Rs. In lacs) | As % of consolidated profit & loss | Amount (Rs. In lacs) | As % of consolidated profit & loss | Amount (Rs. In lacs) | As % of consolidated profit & loss | Amount (Rs. In lacs) |
| Parent | | | | | | | | |
| Dhanuka Agritech Ltd. | 100.01% | 79630.65 | 100.00% | 21056.01 | 100% | 129.82 | 100.00% | 21185.83 |
| Wholly owned subsidiary | | | | | | | | |
| Dhanuka Agri Solutions Pvt. Ltd. | -0.01% | -11.59 | 0.00% | -0.03 | 0.00% | - | 0.00% | -0.03 |
| Total | 100% | 79619.06 | 100% | 21055.98 | 100% | 129.82 | 100% | 21185.80 |
| Elimination | 0.00% | (0.09) | 0.00% | - | 0.00% | - | 0.00% | - |
| Total | 100% | 79618.97 | 100% | 21055.98 | 100% | 129.82 | 100% | 21185.80 |



Notes to Consolidated Financial Statements for the year ended March 31, 2022

50. The Board of Directors of Dhanuka Agritech Limited in its meeting held on 02nd February, 2021 has approved the dissolution/ liquidation of its wholly owned subsidiary Dhanuka Agri Solution Private Limited incorporated in Bangladesh. The same is under process.
51. Previous year figures have been regrouped/reclassified, wherever necessary. However, impact of these reclassifications, if any, are not material.

As per our report of even date attached

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants
Firm Registration No : 000756N

Sd/-
YOGESH K GUPTA
Partner
Membership No : 093214

Place : New Delhi
Dated : 23rd May, 2022

For and on behalf of the Board of Directors

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

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

Place : Gurugram
Dated : 23rd May, 2022

Sd/-
RAHUL DHANUKA
Chief Operating Officer
DIN : 00150140

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



NOTICE TO THE MEMBERS

Notice is hereby given that the **37th Annual General Meeting (AGM)** of the Members of **M/s. Dhanuka Agritech Limited** will be held on **Tuesday, 02nd August 2022 at 11:00 A.M** through Video Conferencing/other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements for the Financial Year ended 31st March, 2022 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare Final Dividend @ **300%** i.e. Rs. **6/-** per Equity Share for the Financial Year ended 31st March, 2022.
3. To appoint a Director in place of Mr. Rahul Dhanuka (DIN:00150140), Whole-Time Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Arun Kumar Dhanuka (DIN:00627425), Whole-time Director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. Ratification of remuneration of Cost Auditors

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

"**Resolved That** pursuant to the provisions of Sections 141, 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Members of the Company hereby ratifies and approve the remuneration of Rs. 2,20,000/- plus applicable taxes payable to M/s. Nitin Khandelwal & Associates, Cost Accountants, who have been appointed as Cost Auditors of the Company by the Board of Directors in their Meeting held on 23rd May, 2022, to conduct Cost Audit of the Company for the Financial Year ending 31st March, 2023."

"**Resolved Further That** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary or expedient to give effect to this Resolution."

6. Re-appointment of Mr. Sanjay Saxena (DIN: 01257965) as an Independent Director of the Company, for second term of 5 years

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

"**Resolved That** pursuant to the provisions of Sections 149,

152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and Rules framed thereunder, read with Schedule IV to the Companies Act, 2013, as amended from time to time, Mr. Sanjay Saxena (DIN: 01257965), who was appointed as an Independent Director and who holds the office of Independent Director up to 21st May 2023 and who meets the criteria for independence, and being eligible for re-appointment, be and is hereby re-appointed as a non-retiring Independent Director on the Board of the Company for Second Term of 5 (Five) consecutive years w.e.f. 22nd May 2023.

"**Resolved Further That** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to this Resolution and to delegate all or any of its powers herein conferred to any Committee of Director(s) to give effect to the aforesaid Resolution."

7. Re-appointment of Mr. Ram Gopal Agarwal (DIN: 00627386) as Whole Time Director under the designation Chairman of the Company, for a further period of 5 years

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

"**Resolved That** pursuant to provisions of Sections 152, 196, 197, 198 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, SEBI Regulation(s) and based on the recommendation of Nomination and Remuneration Committee and the Board, the approval of the Members be and is hereby accorded to the re-appointment of Mr. Ram Gopal Agarwal, (DIN: 00627386) Whole time Director under the designation of Chairman of the Company, even after attaining the age of 70 years, for a period of five years with effect from 1st November, 2022 to 31st October, 2027 (both days inclusive) whose period of office shall be liable to retire by rotation."

"**Resolved Further That** the remuneration of Mr. Ram Gopal Agarwal will be as follows:

- | | |
|---|--|
| (i) Salary | Rs. 15,00,000/- p.m. as per salary range of (Rs.15,00,000-1,00,000-19,00,000) p.m. |
| (ii) Commission | 1.25% of the Net Profit of the Company computed under Section 198 of the Companies Act, 2013. |
| (iii) Allowance, Perquisites and other benefits | will be in accordance with the terms and conditions of appointment as per the HR Policy of the Company." |



"Resolved Further That the terms and conditions of aforementioned re-appointment and remuneration shall be as per the agreement, and the Board of Directors be and are hereby authorized to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Ram Gopal Agarwal."

"Resolved Further That based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the consent of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Ram Gopal Agarwal (DIN: 00627386), Whole-Time Director even if the annual remuneration payable to Mr. Ram Gopal Agarwal may exceed rupees 5 crores or 2.5 per cent of the profits of the Company (whichever is higher) individually and / or the aggregate annual remuneration to all Executive Directors exceeds 5 per cent of the net profits of the Company in any year during the tenure of his reappointment".

"Resolved Further That the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to this Resolution and to delegate all or any of its powers herein conferred to any Committee of Director(s) to give effect to the aforesaid Resolution."

8. Payment of remuneration to Mr. Rahul Dhanuka as Whole-time Director in terms of Regulation 17(6)(e) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015:

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

**Place: Gurugram
Date: 23rd May, 2022**

CIN: L24219DL1985PLC020126

Registered Office:

82, Abhinash Mansion, 1st Floor, Joshi Road,
Karol Bagh, New Delhi – 110 005 (India)
Telephone No.: (011) 23534551/57
Website: www.dhanuka.com
Email ID: investors@dhanuka.com

"Resolved That based on the recommendation of the Nomination and Remuneration Committee and Board of Directors, and pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 along with the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013, consent of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Rahul Dhanuka (DIN: 00150140), Whole-Time Director at such terms and conditions as approved by the Members by postal Ballot completed on 16th March 2022, even if the annual remuneration payable to Mr. Rahul Dhanuka may exceed rupees 5 crores or 2.5 per cent of the profits of the Company (whichever is higher) individually and / or the aggregate annual remuneration to all Executive Directors exceeds 5 per cent of the net profits of the Company in any year during the tenure of his reappointment."

"Resolved Further That the remuneration payable to Mr. Rahul Dhanuka, Whole Time Director shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time."

"Resolved Further That the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to this Resolution and to delegate all or any of its powers herein conferred to any Committee of Director(s) to give effect to the aforesaid Resolution."

**By Order of the Board of Directors
For Dhanuka Agritech Limited**

**Sd/-
Jitin Sadana
Company Secretary and
Compliance Officer
FCS-7612**



NOTES:

Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the 37th Annual General Meeting pursuant to Section 102 (1) of the Companies Act, 2013, is annexed hereto and forms part of the Notice.

- In view of the continuing COVID-19 global pandemic, the Ministry of Corporate Affairs has issued a General Circular bearing No 2/2022 dated May 5, 2022 read with Circular No. 20/2020 dated May 5, 2020, Circular No.02/2021 dated January 13, 2021, Circular No.19/2021 dated December 8, 2021 and Circular No. 21/2021 dated December 14, 2021 allowing conducting of AGM through Video Conferencing ("VC") or other Audio Visual Means ("OAVM") without the physical presence of the Members for the meeting at a common venue. In terms of the said Circulars and in compliance with the provisions of the Companies Act, 2013 and SEBI circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and relevant circular of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC / OAVM only. In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with guidance/ clarification issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. The detailed procedure for participating in the meeting through VC / OAVM is appended herewith and also available at the Company's website www.dhanuka.com
- In compliance with the said Circulars, the Company will publish a public notice by way of an advertisement in Financial Express and Jansatta ("All Editions), both having a Nationwide circulation with their electronic editions, inter alia, advising the Members whose e-mail ids are not registered with the Company, its Registrar and Share Transfer Agent (RTA) or Depository Participant(s) (DPs), as the case may be, to register their e-mail ids with them.
- The Register of Members and the Share Transfer Books will remain close from **Saturday 23rd July 2022 to Tuesday 2nd August, 2022 (both days inclusive)**
- Payment of Final Dividend @ **300%** i.e. Rs. **6.00** per Equity Share having Face Value of Rs. 2.00 each, for the Financial Year ended 31st March, 2022, as recommended by the Board, if approved at this Annual General Meeting, will be paid to those Members whose names appear in the Register of Members of the Company as on **Friday, 22nd July 2022** being the date prior to the Book Closure date. In respect of Equity Shares held in electronic form, the Final Dividend will be paid on the basis of beneficial ownership as on **Friday, 22nd July 2022**, as per details furnished by the National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) for this purpose.
- Dividend income is taxable in the hands of the Shareholders and the Company is required to deduct TDS from dividend paid to the Members at rates prescribed in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Permanent Account Number ('PAN'), Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company/ M/s. Abhipra Capital Limited ('Registrar' or 'RTA' or 'ACL') by sending documents through email on or before **Monday, 25th July 2022**. The detailed process is available on the website of the Company at www.dhanuka.com. A communication providing information and detailed instructions with respect to tax on the dividend for the financial year ended March 31, 2022 is being sent alongwith this Notice to the Members whose email addresses are registered with the Company/DPs.
- The Company draws your attention to the notification issued by SEBI dated January 24, 2022, June 08, 2018, and the press release dated December 3, 2018 amending Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the amended provisions, all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. This measure is aimed at curbing fraud and manipulation risk in physical transfer/ transmission and transposition securities by unscrupulous entities. Transfer/ transmission and transposition of securities only in demat form will improve ease, facilitate convenience and safety of transactions for investors. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact either the Company or M/s Abhipra Capital Limited for assistance in this regard.
- SEBI vide its Circulars dated November 3, 2021 and December 14, 2021 mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities through Form ISR-1. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant. Accordingly, the Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. Members holding shares of the Company in physical form are requested to go through the requirements hosted on the website of the Company and furnish the requisite details.



- Members holding shares in physical form are requested to send the following documents in original to Registrar and Share Transfer Agent latest by Monday, 25th July 2022:
 - i. Form ISR-1 along with the supporting documents. The said form is available on the website of the Company at www.dhanuka.com under Corporate Governance Section
 - ii. original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly. In case name of the holder is not available on the cheque, kindly submit the following documents:-
 - a. cancelled cheque in original.
 - b. bank attested legible copy of the first page of the Bank Passbook / Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and the full address of the Bank branch.
 - iii. self-attested photocopy of the PAN Card of all the holders;
 - iv. self-attested photocopy of any document (such as Aadhaar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company to the Company's Registrar and Share Transfer Agent, M/s. Abhipra Capital Limited at rta@abhipra.com, quoting their folio number. Members holding shares in electronic form must inform about any change in their address or bank particulars to their respective Depository Participants and not to the Company. The Company will use these particulars for payment of dividends.
- Members are requested to support Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialised form) or with Registrar and Transfer Agent or the Company (in case of shares held in physical form, for receiving all communication including annual report, notices from the Company electronically).
- If there is any change in the e-mail ID already registered with the Company, Members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form on rta@abhipra.com or investors@dhanuka.com.
- In terms of the aforesaid Circulars, the businesses set out in the Notice will be transacted by the Members only through remote e-voting or through the e-voting system provided during the Meeting while participating through VC facility.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Ministry of Corporate Affairs has issued a General Circular bearing No 2/2022 dated 5th May, 2022 allowing convening of AGM whose AGMs are due in the Year 2022, to conduct their AGMs on or before 31st December, 2022 in accordance with the requirements as provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated 5th May, 2020. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
- The Company shall be providing the facility of voting through E-mail which shall be sent to the designated e-mail id of the Scrutinizer/ Company i.e. rndregular@gmail.com/investors@dhanuka.com to those Members who do not cast their vote.
- Members who cast their votes by remote e-voting may attend the Meeting through VC, but will not be entitled to cast their votes at the Meeting once again.
- Voting rights of the Members for voting through remote e-voting or e-voting system provide in the Meeting itself shall be in proportion to Equity Shares of the Paid-up Equity Share Capital of the Company as on the cut-off date i.e. **Friday 22nd July 2022**. A person, whose name is recorded in the Register of Members or the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting or e-voting system provide in the Meeting.
- In accordance with the aforementioned MCA Circulars, the Company has appointed CDSL for providing the VC facility to the members for participating in the Meeting. The members are requested to follow the following instructions in order to participate in the Meeting through VC mechanism:
 - a. The login-id and password for joining the Meeting has been separately provided along with this Notice;
 - b. The facility for joining the Meeting shall be kept open 15 minutes before the time scheduled to start the Meeting i.e. IST 10:45 A.M. and 15 minutes after the expiry of the said scheduled time. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. The large members (i.e. members holding 2% or more shareholding), Promoters, institutional investors, Directors, key managerial personnel, Trustees, the chairpersons of the Audit Committee. Nomination and



- Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. are allowed to attend the Meeting without restriction on account of first-come first-served basis.
- c. Members who hold shares in dematerialised form are requested to furnish their Client ID and DP ID Nos. and members who hold shares in physical form are requested to furnish their folio number for easy identification of attendance at the Meeting;
- d. Participation of single Member shall only be allowed at a time;
- e. Queries on the accounts and operations of the Company or the businesses covered under the Notice may be sent to the Company at investors@dhanuka.com at least seven days in advance of the Meeting so that the answers may be made readily available at the Meeting;
- f. Members are requested to e-mail at investors@dhanuka.com or call at 0124-4345000 in case of any technical assistance required at the time of log in/ assessing/ voting at the Meeting through VC;
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names shall be entitled to vote.
 - Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. In view of the MCA Circulars, no proxy shall be appointed by the members, hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, Corporate Members intending to attend/vote at AGM through VC/OAVM by their respective authorized representatives are required to send to the Company/ RTA/ Scrutinizer a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act 2013, by e-mail at investors@dhanuka.com with a copy marked to jitinsadana@dhanuka.com Company Secretary of the Company authorizing their representative to attend and vote at the Meeting through VC.
 - **Nomination facility:** As per the provisions of Section 72 of the Companies Act, the facility for making nomination is available for the Members in respect of the Equity Shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14 as the case may be. The said forms available at Company's Website www.dhanuka.com.
 - The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- Documents referred to in this Notice will be available for inspection by the members at the Registered Office of the Company from IST 11:00 A.M. to 1:00 P.M. on all working days prior to the date of the Annual General Meeting and will also be available for inspection online at the website of the Company, during the period of the Annual General Meeting.
 - Unpaid and Unclaimed Dividend Transfer to Investor Education and Protection Fund
 - In view of the provisions of Section 125 of the Companies Act, 2013, Unclaimed/unpaid Final Dividend for FY 2014-15 and Interim Dividend-I and II respectively, of the Financial Year 2015-16 shall be transferred to the Investor Education and Protection Fund (IEPF) in the months of February, March and April 2023, respectively. Members, who have not yet encashed their Dividend warrant for the above dates or any subsequent Financial Year(s), are requested to lodge their claims with the Company.
- In view of the provisions of Section 124(6) of the Companies Act, 2013, read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), 2016, there is no Shares on which Dividend has not been paid/claimed for consecutive 7 (Seven) years. Hence nil shares will be transferred to IEPF authority.
- The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available only in electronic form for inspection during the Meeting through VC.
 - The Company has appointed M/s. R&D, Company Secretaries, to act as the Scrutinizer, for conducting the scrutiny of the votes casted at AGM (e-voting as well as by Remote E-voting).
 - The Scrutinizer shall, after the conclusion of E-voting at the Annual General Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through Remote E-voting in the presence of at least two witnesses not in the employment of the Company and make, submit not later than 48 hours from the conclusion of the Annual General Meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or in his absence any other Director or Key managerial Personnel or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 - The results of E-voting will be declared and the same along with the Scrutinizers' Report will be published on the website



of the Company www.dhanuka.com and the website of CDSL www.cdslindia.com immediately after the declaration of result by the Chairman and the same will also be communicated to BSE Ltd. and the National Stock Exchange of India Limited (NSE) within 48 hours from the conclusion of the Annual General Meeting. Further, the results shall be displayed on the Notice Board of the Company at its Registered Office.

- Members are requested to contact the Company's Registrar & Share Transfer Agent, i.e. M/s. Abhipra Capital Limited for reply to their queries/ redressal of complaints, if any, or contact Company Secretary of the Company (Phone: 0124-4345000; Email: investors@dhanuka.com).
- The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in Demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar & Share Transfer Agent, M/s. Abhipra Capital Limited, quoting their folio number.
- Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.
- Non-Resident Indian Members are requested to inform RTA, immediately on:
 - (a) Change in their residential status on return to India for permanent settlement;
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with Pin Code number, if not furnished earlier.

THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- i) The voting period begins on **Saturday, 30th July 2022 at 09:00 A.M.(IST)** and ends on **Monday, 01st August 2022 at 05:00 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. **Friday, 22nd July 2022** 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) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed

entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

- iv) Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- v) In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- vi) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/Id easDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com / either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |



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

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

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk, evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

1) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

| | For Shareholders holding shares in Demat Form other than individual and Physical Form |
|--|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3). |

- (ii) After entering these details appropriately, click on "SUBMIT" tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (vi) 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.
- (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (viii) 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.

- (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xii) **Facility for Non - Individual Shareholders and Custodians -Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@dhanuka.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

- 1) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
- 2) For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
- 3) For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on toll free no. 1800 22 55 33.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- 1) The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
- 2) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- 3) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- 4) Shareholders are encouraged to join the Meeting through Laptops/ IPads for better experience.
- 5) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.



- 6) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 7) Shareholders who would like to express their views/ ask questions during the Meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to Meeting**, mentioning their name, demat account number/ folio number, email id, mobile number at (investors@dhanuka.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to Meeting**, mentioning their name, demat account number/ folio number, email id, mobile number at (investors@dhanuka.com). These queries will be replied to by the Company suitably by email.
- 8) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- 9) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
- 10) If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.



Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013 and other applicable provisions)

The following Explanatory Statement sets out all the material facts relevant to the item(s) of the Special Business(s) contained in the Notice of 37th Annual General Meeting.

Item No. 5

Ratification of Remuneration of the Cost Auditors of the Company

In accordance with the provisions of Section 148 of the Companies Act, 2013 and Rules framed thereunder, the Board of Directors, on the recommendation of the Audit Committee, in their Meeting held on 23rd May 2022 had considered and approved the appointment of M/s. Nitin Khandelwal & Associates, Cost Accountants (Firm Registration No. 004555) as Cost Auditors of the Company for the Financial Year 2022-23 to carry out Audit of Cost Records of the Company relating to Agro-Chemicals Manufacturing Activities, at a remuneration of Rs. 2,20,000/- (Rupees Two Lacs Twenty Thousand Only) (Plus out-of-pocket expenses and applicable taxes) subject to confirmation of Members at this Annual General Meeting.

Accordingly, approval of the Members is sought for passing an Ordinary Resolution as set out at Item no. 5 of the Notice to fix the remuneration payable to the Cost Auditors of the Company for the Financial Year 2022-23.

None of the Directors and Key Managerial Personnel of the Company or their relatives are in any way interested or concerned in this Resolution.

The Board recommends the Resolution set out at Item No. 05 of the Notice for approval of the Members by way of Ordinary Resolution.

Item No. 6

Re-appointment of Mr. Sanjay Saxena (DIN: 01257965) as an Independent Director of the Company, for a second term of 5 consecutive years on the Board of the Company.

Section 149(10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term of up to 5 (Five) consecutive years on the Board and shall be eligible for re-appointment for Second Term of 5 (Five) consecutive years on passing a Special Resolution by the Company and disclosure of such re-appointment in its Boards' Report. Section 149(11) provides that an Independent Director may hold office for up to 2 (Two) consecutive terms.

Mr. Sanjay Saxena (DIN: 01257965) was appointed as an Independent Director on the Board of the Company for a period of 5 (Five) consecutive years w.e.f. 22nd May, 2018. He shall hold office as an Independent Director of the Company up to 21st May, 2023 ("First Term" in line with the explanation of Sections 149(10) and 149(11) of the Act). Mr. Sanjay Saxena is not disqualified from being appointed as Independent Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Independent Director and has also given declarations stating that he meets the criteria of Independence as prescribed under sub-Section

(6) of Section 149 of the Companies Act, 2013 and under Listing Regulations (as amended from time to time).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Mr. Sanjay Saxena as an Independent Director for Second Term of 5 (Five) consecutive years on the Board of the Company. This re-appointment shall be effective from 22nd May 2023 to 21st May 2028. On the recommendation of the Nomination and Remuneration Committee, based upon the performance evaluation of Independent Directors, the Board consider that, given his background, rich experience of diversified sectors and contribution made by him during his tenure, the continued association of Mr. Sanjay Saxena would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, the Board has recommended reappointment of Mr. Sanjay Saxena as an Independent Director of the Company, not liable to retire by rotation for Second Term of 5 (Five) consecutive years on the Board of the Company effective from 22nd May 2023.

Mr Sanjay Saxena is acting as a Member of the Risk Management Committee, Nomination and Remuneration Committee and Chairman of Stakeholders' Relationship Committee of the Company

Brief Profile of Mr. Sanjay Saxena under consideration whose re-appointment as an Independent Director for Second Term is provided in the "Annexure-1" to the Notice pursuant to the provisions of the Listing Regulation and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India (ICSI).

The Board hereby recommends the Resolution as set out at Item No. 06 for consideration and approval of Shareholders of the Company by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Mr. Sanjay Saxena are in any way interested or concerned with this Resolution.

Item No: 7

Re-appointment of Mr. Ram Gopal Agarwal (DIN: 00627386) as Whole-time Director under the designation Chairman of the Company, for a further period of 5 years with effect from 1st November, 2022

The Shareholders of the Company in the 32nd Annual General Meeting held on 10th August, 2017 have appointed Mr. Ram Gopal Agarwal, Whole-time Director under the designation of Chairman for a period of 5 years from 1st November, 2017 to 31st October, 2022 (both days inclusive). Further, the Shareholders of the Company have also approved the continuation of the appointment of Mr. Ram Gopal Agarwal as the Whole-time Director (under the designation of Chairman) of the Company even after attaining the age of 70 years through Postal Ballot dated 14th November 2018.



As per the provisions of Sections 152, 196, 197, 198 read with Schedule V of the Companies Act, 2013, Mr. Ram Gopal Agarwal is eligible to be re-appointed as the Whole-time Director under the designation of Chairman of the Company. Since his term as Whole-time Director will end on 31st October, 2022, the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee (NRC) in their meeting held on 23rd May 2022, subject to Shareholders' approval re-appointed Mr. Ram Gopal Agarwal as the Whole time Director under the Designation of Chairman of the Company for a further period of Five Years from 1st November, 2022 to 31st October, 2027 (both days inclusive) even after attaining the age of 70 years.

The Nomination and Remuneration Committee, and the Board of Directors in their respective Meeting held on 23rd May 2022 have approved the below remuneration and recommended the same to the Shareholder's approval at this Annual General Meeting;

- i) Salary : Rs. 15,00,000 p.m. as per salary range of (Rs. 15,00,000-1,00,000-19,00,000) p.m.
- ii) Commission 1.25% of the Net Profits of the Company computed under Section 198 of the Companies Act, 2013;
- iii) Allowance, Perquisites and other benefits will be in accordance with the terms and conditions of appointment as per the HR Policy of the Company."

Further, pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the above mentioned remuneration payable to Mr. Ram Goapl Agarwal (DIN: 00627386), Whole-time Director even if the annual remuneration payable to Mr. Ram Gopal Agarwal may exceed Rupees 5 crores or 2.5 per cent of the profits of the Company (whichever is higher) individually and / or the aggregate annual remuneration to all Executive Directors exceeds 5 per cent of the net profits of the Company in any year during the tenure of his reappointment.

Brief Profile of Mr. Ram Gopal Agarwal whose re-appointment under consideration as Whole Time Director is provided in the "Annexure-1" to the Notice pursuant to the provisions of the Listing Regulation and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India (ICSI).

Notwithstanding anything to the contrary contained herein, where in any Financial Year, during the currency of tenure of Mr. Ram Gopal Agarwal as Whole-time Director, the Company has no profits or its profits are inadequate, Mr. Ram Goapl Agarwal shall be paid remuneration in terms of schedule V of the Companies Act and any amount excess paid to him shall be reimbursed back to the Company.

The copy of the draft Agreement referred to in the Resolution shall be available for inspection of the Members at the Corporate Office of the Company on any working day during business hours and will also be available for inspection throughout the continuance of the 37th Annual General Meeting.

This shall also be treated as an abstract of the terms of the Contract/ Agreement as to the nature of concern or interest of the Directors pursuant to Section 190 of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr Ram Gopal Agarwal, Chairman (himself), Mr. Mahendra Kumar Dhanuka, Managing Director, Mr Rahul Dhanuka, Whole-time Director are interested or concerned in this Resolution.

The Board hereby recommends the Resolution as set out at Item No. 7 for consideration and approval of Shareholders of the Company by way of Special Resolution.

Item No: 8

Approval of the remuneration of Mr. Rahul Dhanuka as Whole-time Director(s) in terms of Regulation 17(6)(e) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

The tenure of Mr. Rahul Dhanuka as Whole-time Director has expired on 30th April 2022 and he was re-appointed as Whole-time Director of the Company w.e.f. 1st May 2022 by the Members of the Company through Postal Ballot completed on 16th March, 2022 .

Further , as per the provision of 17(6)(e) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the Shareholders by Special Resolution in the General Meeting, if-

- (i) the annual remuneration payable to such Executive Director exceeds Rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher;or
- (ii) where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the listed entity.

Therefore, the Nomination and Remuneration Committee, the Audit Committee and the Board of Directors in their respective Meeting held on 23rd May 2022 have approved for payment of remuneration to Mr. Rahul Dhanuka (DIN: 00150140), Whole-time Director on such terms and conditions as approved by the Members by Postal Ballot completed on 16th March 2022, even if the annual remuneration payable to Mr. Rahul Dhanuka may exceed Rupees 5 crores or 2.5 per cent of the profits of the Company (whichever is higher) individually and / or the aggregate annual remuneration to all Executive Directors exceeds 5 per cent of the net profits of the Company in any year during the tenure of his reappointment.

In order to comply with the requirement of Listing Regulations and on recommendation of Nomination and Remuneration Committee, Board of Directors is seeking to take the Members' approval by way of Special Resolution for paying him remuneration as per already approved terms and conditions in case his remuneration exceeds the limits prescribed in Regulation 17(6)(e) of SEBI (LODR) Regulations.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr Ram Gopal Agarwal, Chairman, and Mr Rahul Dhanuka, Whole-time Director(himself) are interested or concerned in this Resolution.

The Board hereby recommends the Resolution as set out at Item No. 8 for consideration and approval of Shareholders of the Company by way of Special Resolution.

Annexure to 37th Annual General Meeting Notice

Details of Directors Retiring by Rotation/Seeking Appointment/Re-Appointment at the 37th Annual General Meeting of Dhanuka Agritech Limited

| Particulars | Mr Ram Gopal Agarwal | Mr Arun Kumar Dhanuka | Mr. Rahul Dhanuka | Mr. Sanjay Saxena |
|--|--|--|--|--|
| Designation | Chairman & Whole Time Director | Whole Time Director | Whole Time Director and Chief Operating Officer | Independent Director |
| Age | 73 years | 65 years | 47 years | 56 years |
| Qualification | He holds Bachelor's Degree in Commerce from Delhi University | He holds Bachelor's Degree in Commerce from Delhi University | He holds a Master's Degree in Business Administration from S.P. Jain Institute of Management & Research. | He holds Bachelor's degree in Commerce from Delhi University, 1986. He also holds a professional degree of Cost and Management Accountant from NIRC of Institute of Cost & Management Accountants of India (ICMA), 1989, done Post Graduation Diploma in Urban Management and Planning, with distinction, from Institute for Housing and Urban Development Studies (IHS), Erasmus University, Rotterdam, The Netherlands, 1998, further a diploma in Advance Software Application from Computers Point, New Delhi, in 1988.. |
| Experience (Including expertise in the specific functional area)/ Brief Resume | <p>He has a distinguished corporate career of 54 years. He is a decisive and action oriented visionary who took over a sick pesticide Company named Northern Minerals Pvt Ltd in 1980, to transform it into 1500 Crores organization called Dhanuka Agritech Ltd. His deep commitment and inspiring leadership in initial turbulent days is an example worth inculcating. His passion to contribute to Indian Agriculture is commendable. His ability to prioritize and deal effectively with a number of tasks simultaneously reinforced with the skills to make effective decisions, has metamorphosed the business venture into one of the fastest growing agrochemical Company in India which is rated thrice as '200 Best under A Billion Companies in Asia Pacific' by Forbes magazine. His rich and invaluable experience of over last Five decades in Agrochemical Industry has contributed immensely in the growth of the Company and added much needed expertise to the Board. He mentors and gives strategic direction to the team. In order to achieve his aspiration of "Transforming India through Agriculture" he has dedicated himself to bring changes in Agrochemicals Industry and the farming community. His contribution for adopting newer farming techniques at the grass root level, judicious use of agro chemicals in farming and imparting knowledge through his nationwide network of distributors and Dhanuka Doctors which has resulted in the overall prosperity of farmers. Shri RG Agarwal has been the past Chairman of CCFI, (Crop Care Federation of India) the apex Chamber of all India. Agrochemical majors. He is also Chairman in Advisory Committee of AGRO Chemicals Federation of India. Shri RG Agarwal, Group Chairman, has been bestowed with many Awards for his tremendous contribution in Agro Industry like "Life Time Achievement Award" by Agri Business Summit & Agri Awards 2019, "Distinguished Contribution to Indian Agrochemicals Industry" during India Chem 2016 International Conference organised by FICCI etc. He is also associated with some of the highly recognized establishments of the country as Chairman of Committee (Crop Protection Chemicals) of Federation of Indian Chambers of Commerce and Industry (FICCI), member of Crop Life India. He has also awarded with many prestigious awards including lifetime achievement award from Amity University for excellence in Agro Industry and Business Leader of the Year at Global Leaders Conclave in 2021.</p> | <p>He has a distinguished corporate career of 44 years. He was responsible for overall operations of Gurgaon Factory. After shifting of manufacturing operations of Gurgaon Factory w.e.f. 9th January, 2018, he is taking care of S a n d F a c t o r y Operations. With his innovative ideas, able leadership and utmost sincerity, he has raised the Company to new heights of success.</p> | <p>Mr. Rahul Dhanuka started his career with Pharma division of Dhanuka Group in the year 1998. He joined Dhanuka Agritech Limited in the year 2002. He brought many changes in the Supply Chain and then took over the reins of Marketing function. Ever since then he has spear-headed the marketing initiatives of the Company including the liaison activities with international agro-giants to bring in world class agro solutions to Indian farmers. In his leadership the Company has achieved outstanding revenue growth & incremental profits year after year, including various recognitions and awards.</p> <p>Mr. Rahul Dhanuka is known for his compassionate outlook and strong organizational skills which he strongly imbibes among his close confidants. A visionary leader with unconventional, approach is an inspiration for the next generation. As a leader he is very tech-savvy and has deep insights on the evolution of Agro-Industry in India and across the globe. He is focused to drive various initiatives across different functional domains to fulfil Dhanuka's aspiration of "Transforming India through Agriculture". As he is taking care of complete operations of the Company, the NRC recommended and the Board approved to designate him as Chief Operating Officer (COO) of the Company in their meeting held on 21st May 2021.</p> | <p>Mr. Sanjay Saxena has over 30 years' international experience and has worked on more than 150 development projects in 35 countries worldwide on a wide range of areas, ensuring their effective design and successful implementation. He is a Fellow Cost and Management Accountant (ICWA), holds an international Post Graduate Diploma in Urban Management and Planning, and advanced Diploma in Computer Software Applications. He has worked extensively with development agencies, such as ADB, World Bank, UNDP, UNOPUS, UNICEF, and leading bilateral development agencies, such as DFID, JIBC, etc. Mr Sanjay core competence lies in assembling and managing highly qualified multi-disciplinary international teams and engaging with a range of public, private, community and non-governmental stakeholders for timely and quality completion of the design and implementation of projects and programs. Mr Sanjay has conducted over 200 national and international conferences, seminars, training workshops and best practices study tours on governance themes. He has published over 170 books on e-governance, MIS and ICT, which are used by over 700 colleges and universities in India as course material for graduate and post graduate levels. He runs a consultancy company called Total Synergy Consulting Private Limited, which provides consulting services for national, state and local governments.</p> <p>Mr. Saxena is associated with Dhanuka for the past Four years. He is a member of the Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee. His diversified experience has proved very beneficial for the Board. He has made valuable suggestions on various operational and financial matters.</p> |





| Particulars | Mr Ram Gopal Agarwal | Mr Arun Kumar Dhanuka | Mr. Rahul Dhanuka | Mr. Sanjay Saxena |
|---|---|---|--|--|
| Designation | Chairman & Whole Time Director | Whole Time Director | Whole Time Director and Chief Operating Officer | Independent Director |
| Age | 73 years | 65 Years | 47 years | 56 years |
| Terms and Conditions of appointment/Re-appointment | As per the agreement | As per existing agreement | As per existing agreement | As per the Appointment Letter |
| Remuneration last drawn in a FY 21-22 (including sitting fees, if any) | Rs. 6.26 Crore including Commission | Rs. 4.71 Crore including Commission | Rs. 4.52 Crore including Commission | Sitting Fees Rs. 3.90 Lacs |
| Remuneration proposed to be paid | Salary: Rs.15,00,000/- (Rupees Fifteen Lakh only) per month in the salary range of Rs.15,00,000 – 1,00,000 – 19,00,000 p.m. Commission: 1.25 % of the Net profits of the Company computed under Section 198 of the Companies Act, 2013. Allowance, Perquisites and other benefits will be in accordance with the terms and conditions of re-appointment as per the HR Policy of the Company | As per existing terms and conditions | As per existing terms and conditions. | No remuneration except Sitting Fees for attending the Board and Committee Meetings. |
| Date of First Appointment on the Board | 10.03.1992 | 23.05.2007 | 23.05.2007 | 22.05.2018 |
| Shareholding in the Company as on 31 st March, 2022 | 1,92,642 Equity Shares | 37,200 Equity Shares | 2,05,250 Equity Shares | Nil |
| Relationship with other Directors/ Key managerial Personnel | Brother of Mr. Mahendra Kumar Dhanuka, Managing Director; Father of Mr. Rahul Dhanuka, Whole-time Director; Cousin of Mr. Arun Kumar Dhanuka, Whole time Director | Cousin of Mr. Mahendra Kumar Dhanuka, Managing Director and Mr. Ram Gopal Agarwal, Chairman of the Company. | Son of Mr. R.G. Agarwal – Chairman of the Company | None of the Director is related to Mr. Sanjay Saxena. |
| Number of Meeting of Board attended during the financial year 21-22 | 3 | 3 | 3 | 4 |
| Directorship of other Boards as on 31 st March, 2022 | M/s H D Realtors Private Limited M/s. Orchid Pharma Limited M/s. Orchid Bio-Pharma Limited | M/s Dhanuka Laboratories Limited M/s Orchid Pharma Limited M/s. Orchid Bio Pharma Limited | M/s Dhanuka Laboratories Limited, M/s Golden Overseas Private Limited, M/s Dhanuka Agri- Solutions Private Limited M/s Sikkim Agro Industries Limited M/s H. D. Realtors Private Limited M/s. Dhanuka Chemicals Private Limited | M/s. Total Synergy Consulting Pvt. Ltd. |
| Membership/ Chairmanship of Committees of the Boards as on 31 st March, 2022 | Dhanuka Agritech Limited Corporate Social Responsibility Committee- Chairman Banking, Finance and Operations Committee- Chairman | Dhanuka Agritech Limited Corporate Social Responsibility: Member Banking, Finance and Operations Committee- Member Dhanuka Laboratories Limited Audit Committee- Member Orchid Pharma Limited Nomination and Remuneration Committee- Member Banking, Finance and Operations Committee- Member | Dhanuka Agritech Limited Risk Management Committee – Chairman Stakeholders Relationship Committee- Member | Dhanuka Agritech Limited Stakeholders Relationship Committee - Chairman Nomination and Remuneration Committee - Member Risk Management Committee - Member |



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Sales Offices/Godowns

Ahmedabad, Akola, Anantapur, Bargarh, Bengaluru, Bellary, Cuttack, Delhi, Ghaziabad, Gulbarga, Guwahati, Guntur, Hissar, Hubli, Hyderabad, Indore, Jaipur, Jabalpur, Kanchipuram, Karnal, Kichha, Kolkata, Lucknow, Ludhiana, Madurai, Nandyal, Nellore, Patna, Pune, Raipur, Ranchi, Ravulapalem, Salem, Siliguri, Sindhanur, Sohna, Sopore, Trichy, Vijawada and Warangal

DISCLAIMER

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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