PUNJAB CHEMICALS
AND CROP PROTECTION LTD.

CIN NO. L24231PB1975PLC047063

Regd. Office & Works

Milestone-18, Ambala-Kalka Road, Village & P.O. Bhankharpur, Derabassi, Distt SAS Nagar, Mohali (Punjab)-140201, INDIA
Tele: 01762-280086, 522250, Fax: 01762-280070, E-mail: info@punjabchemicals.com. Website: www.punjabchemicals.com

Date: 26th August, 2020

BY E-FILING

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

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

Sub: Notice convening 44th Annual General Meeting and Annual Report for the FY2019-20

Dear Sir/Madam,

This is in furtherance to our letter dated 29th June, 2020 intimating about the 44th Annual General Meeting ("AGM") of the Company scheduled to be held on Friday, the 25th September, 2020 at Derabassi and the dates of annual book closure from Friday, the 18th September, 2020 to Friday, the 25th September, 2020 (both days inclusive).

It may please be noted that the said 44th Annual General Meeting ("AGM") of the Company shall be held on Friday, the 25th September, 2020 at 10 a.m. (IST) through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) in compliance with the applicable provisions of the Ministry of Corporate Affairs and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with various Circulars issued from time to time.

In continuation to the aforesaid letter and pursuant to Section 108 of the Companies Act, 2013, Regulations 30, 34 and 44 of the SEBI Listing Regulations, please find enclosed herewith Notice convening the 44th AGM and the Annual Report for the FY2019-20. The aforesaid documents are available on the website of the Company www.punjabchemicals.com and are also being dispatched to all the eligible shareholders whose email IDs are registered with the RTA / Company / Depositories. The details such as manner of (i) registering / updating email addresses, (ii) casting vote through e-voting and (iii) attending the AGM through VC / OAVM has been set out in the Notice of the AGM. The Company has fixed Friday, the 18th September, 2020 as the "Cut-off Date" for the purpose of determining the members eligible to vote on the resolutions set out in the Notice of the AGM or to attend the AGM.

The remote e-voting facility commences on Tuesday, the 22nd September, 2020 from 9.00 a.m. (IST) and ends on Thursday, the 24th September, 2020 at 5.00 p.m. (IST). Those shareholders, who will be present in the AGM through the VC facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. We request you to take the above on record.

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

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

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

44th Annual Report and Accounts 2019-20

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

उद्यमेन हि सिध्यन्ति
कार्यणि न मनोरथैः

20.07.1932 - 18.12.1997

S D SHROFF

(Known to all as 'Sasubhai')

He dared.
He cared.
He shared.

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

Chairman 's Message

Dear Shareholders,

Greetings!!

It is my pleasure to have communication with you through 44th Annual Report of the Company.

At the outset, I would like to draw your attention to the unprecedented situation due to COVID-19 pandemic. There is an overall pessimism among the people all over the world due to wide spread of infection and consequently the effect on economy. The Governments of all countries have taken various steps to control this pandemic by imposing nationwide lockdown, restricting movement of people, enforcing social distancing and use of masks, etc. As no specific treatment / vaccine is still available, the prevention and adherence to the preventive norms suggested by the World Health Organisation (WHO) and the respective Governments are the only way out of survival. I on behalf of the Company and myself wish all the shareholders and others associated with the Company, a safe and healthy time. As a good citizen, one should follow all the precautions to remain safe and healthy. In view of this situation, we are forced to hold a virtual Annual General Meeting (AGM) through Audio / Video Conferencing instead of physical presence of the esteemed shareholders.

The world has faced the slowest growth rate due to COVID-19 pandemic and deterioration in US-China trade relations. The measures taken to control the spread of Corona virus saved many lives but dealt a huge blow to economic activities. The impact of lockdown will be felt for a long time. Our country also implemented strictest nationwide lockdowns to keep the infection under control. As a result, mass unemployment in the lower income segment, staff downsizing across sectors, restriction on free movement of goods and people, disrupted supply chains nearly wiped out the demand for non-essential goods and services. To boost the demand and to revive the economy, the Government of India has taken various steps like relaxation in foreign direct investments norms & upfront capital infusion in public sector banks to alleviate liquidity concerns, reduced corporate tax rates to revive private investments. These measures taken by the Government are even looking meager due to huge dent in the economic activities and shown slow movements in the revival of the economy.

Your Company being in Agrochemicals sector had slight advantage of being covered under essential goods and allowed to resume operations shortly after the initial phase of lockdown. Yet we have to be very cautious at the manufacturing sites and have to adhere all safety measures for the safety and health of workers. Your

Company is a manufacturer of some important Agro Chemicals and Specialty Chemicals, therefore, may have little impact, provided there is no disturbance in the supply of raw materials and availability of required manpower. There is a regular flow of orders which has boosted the morale. However, even in all these circumstances, the Company has to remain vigilant to keep the operations of the plant at economical level despite various restrictions and precautionary measures advised by the Government. It looks that the effect due to international factors and the loss in the initial lockdown period will soon be over and we can hope for the improvement in the time to come.

The operational working for the financial year 2019-20 along with other related information, statutory reports are available in the Annual Report. On the operational front you will find that working results during the year was not as promising as last year. The main reason for the 13% reduced sale and less PBT by 16% in the year under review was less off take of products in the last quarter of the financial year 2019-20 in view of disturbances in the international market due to COVID-19. In addition, there was reduction in the sale price of few products and booking of some extra ordinary expenses during the year.

Inspite of reduced profit before tax of last year, the Board of Directors decided to recommend the dividend of 15% i.e. ₹1.50 per equity share for the financial year 2019-20 which is same as of last year.

I am happy to share that as usual the Agro Chemicals Division, Derabassi has the highest sales turnover of 68%, Specialty Chemicals plant, Lalru 22% and Industrial Chemicals Division, Pune 7% of the total revenue. In addition to the direct sales, both Derabassi and Lalru Units have undertaken toll manufacturing, when and wherever available to augment its revenue generation. The consolidated revenue of the Company during the year under review was ₹ 563 crore with a PBT of ₹ 22 crore against revenue of ₹650 crore and PBT of ₹29 crore of previous year. The Company has one wholly owned Subsidiary Company, SD Agchem and sells only products supplied by the holding Company.

The rehabilitation of the plant which was damaged in the fire last year is in full swing and expected to be in operation shortly. The delay in setting up the plant was due to stoppage of work for around four months due to COVID - 19. Final insurance claim is under process at the level of the Surveyor and the Insurance Company. As informed earlier, partial claim amount has received.

As per the policy, the Company will continue to curtail expenses, wherever possible and would continue to take up toll manufacturing of MNC of various products as per their requirement. The Company has been slowly repaying its debts taken from the Promoter and other Companies to pay One Time Settlement (OTS) amount to the banks.

I am also happy to inform that as per the target fixed last year, the IT infrastructure has been upgraded in the Company as per the requirement. The implementation of ERP-SAP B1 HANA and HRMS-4 are going to play important role in the growth of the Company. Simultaneously, the required upgradation of hardware and networking domain has also taken place.

The efforts of all the employees to work with full sincerity and with enthusiasm in this difficult time are laudable. The Company could perform in this critical time only due to the positive approach and sincerity of all employees. The Company has taken all preventive checks and procedure for the safety of the employees. The Board of Directors placed on record a deep sense of gratitude and appreciation for the contribution and whole hearted support of the employees. The guidance, confidence and support of Shri Shalil Shroff, Managing Director to his team is the key factor of success. The team is fully conscious of keeping in mind the vision given by our mentor late Shri S.D. Shroff to run the Company.

My sincere appreciation and thanks to all the stakeholders viz. Banks, Suppliers, Customers, who have given support to the Company to stage a comeback.

Last, but not the least, sincere thanks to all of you (the shareholders) for keeping faith in the Board of Directors and the management in their policies and efforts.

With best wishes,

Mukesh D Patel

COMPANY INFORMATION

CHAIRMAN EMERITUS	GHATTU RAMANNA NARAYAN
CHAIRMAN	MUKESH DAHYABHAI PATEL
BOARD OF DIRECTORS	SHALIL SHASHIKUMAR SHROFF, Managing Director
	CAPT. SURJIT SINGH CHOPRA (Retd.)
	VIJAY DILBAGH RAI
	SHEO PRASAD SINGH
	ARUNA RAJENDRA BHINGE
	SHIVSHANKAR SHRIPAL TIWARI
	AVTAR SINGH, Director (Operations & Business Development)
SR. V.P. (FINANCE) & COMPANY SECRETARY	PUNIT KUMAR ABROL
CHIEF FINANCIAL OFFICER	DR (HC) SRIRAM SWAMINATHAN (w.e.f. 01-04-2020)
BANKERS	RBL BANK LIMITED BANK OF BARODA
AUDITORS	B S R & CO. LLP Chartered Accountants
REGISTERED OFFICE	Milestone 18, Ambala Kalka Road, Village & P.O.: Bhankharpur, Derabassi, Distt. S.A.S. Nagar (Mohali), Punjab-140201. Tel: 01762-280086/280094 Fax: 01762-280070 Email: info@punjabchemicals.com Website: www.punjabchemicals.com
CORPORATE OFFICE	PLOT NO. 645-646, 5TH FLOOR, OBEROI CHAMBERS II NEW LINK ROAD, ANDHERI (WEST), MUMBAI - 400 0 53 Tel: 022-26747900 Fax: 022-26736193 Email: enquiry@punjabchemicals.com
MANUFACTURING UNITS	DERABASSI AND LALRU (PUNJAB) PUNE (MAHARASHTRA)
REGISTRAR & SHARE TRANSFER AGENT	ALANKIT ASSIGNMENTS LTD., RTA DIVISION, ALANKIT HEIGHTS 4E/2, Jhandewalan Extension, New Delhi-110055 Tel: 011-42541234/23541234, Fax: 011-41543474 Email: rta@alankit.com Website: www.alankit.com

CONTENTS

44TH ANNUAL GENERAL MEETING

Friday, the 25th September, 2020 at 10:00 A.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility
Book Closure Dates: 18th September, 2020 to 25th September, 2020

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED
CIN No. : L24231PB1975PLC047063
Registered Office: Milestone 18, Ambala Kalka Road, Village & P.O Bhankharpur, Derabassi, Dist. SAS Nagar, Mohali (Punjab)- 140201,
Telephone Nos.: 01762- 280086, 280094 Fax Nos.: 01762-280070
E-mail:info@punjabchemicals.com; website: www.punjabchemicals.com

NOTICE

NOTICE is hereby given that the 44th (Forty Fourth) Annual General Meeting of the members of Punjab Chemicals and Crop Protection Limited will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility on Friday, the 25th September, 2020 at 10.00 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company (Standalone and Consolidated) for the financial year ended on March 31, 2020 and the Reports of the Board of Directors and Auditors thereon.

   "RESOLVED THAT the Audited Financial Statements (Standalone and Consolidated) of the Company, Report of the Board of Directors and the Auditors' thereon for the financial year ended on March 31, 2020 alongwith Annexures as laid before this Annual General Meeting be and are hereby received, considered, approved and adopted."

2. To declare a dividend on Equity Shares of the Company for the financial year ended March 31, 2020.

   "RESOLVED THAT the Dividend at the rate of Rs. 1.50/- per share on 1,22,62,185 Equity Shares of Rs. 10/- each aggregating to Rs. 1,83,93,238/- as recommended by the Board of Directors be and is hereby approved."

3. To appoint a Director in place of **Capt. Surjit Singh Chopra (Retd)** (DIN: 00146490), who retires by rotation and being eligible, offers himself for re-appointment.

   "RESOLVED THAT **Capt. Surjit Singh Chopra (Retd)** (DIN: 00146490), a Director of the Company who retires by rotation at this Meeting, being eligible for re-appointment as Director of the Company be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Director by rotation."

Special Business:

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

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

"RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 and rules made thereunder including any statutory modification(s) or re-enactment, Regulation 17 (1A) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and as amended, approval of the members of the Company be and are hereby accorded for continuation of directorship of Capt S.S. Chopra (Retd) (DIN:00146490), who has already attained the age of 75 years, as a Non-Executive Non Independent Director of the Company, liable to retire by rotation till the expiry of his present term on the existing terms and conditions."

5. To appoint Smt. Aruna Rajendra Bhinge (DIN: 07474950) as an Independent Woman Director.

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 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt. Aruna Rajendra Bhinge (DIN: 07474950), who was appointed as the Director of the Company w.e.f. 29th May, 2018 be and is hereby appointed as Independent Woman Director of the Company on the recommendations of Nomination and Remuneration Committee and the Board of Directors w.e.f. 1st April, 2020 for a period of five years on meeting the criteria of independence as required in Section 149(6) of the Act and Regulation 16(1)(b) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom, the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature as an Independent Woman Director of the Company, not liable to retire by rotation.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things and give such directions as may be necessary for giving effect to the aforesaid Resolution."

6. To re-appoint Shri Sheo Prasad Singh (DIN: 06493455) as an Independent Director.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations) as amended from time to time, Shri Sheo Prasad Singh (DIN: 06493455) who was appointed as an Independent Director of the Company at the thirty-ninth Annual General Meeting of the Company and holds office till the conclusion of 44th Annual General Meeting be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation and in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Independent Director for the second term of five (5) consecutive years from the conclusion of 44th Annual General Meeting till the conclusion of 49th Annual General Meeting of the Company to be held in the year 2025.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things and give such directions as may be necessary, for giving effect to the aforesaid Resolution."

7. To ratify the remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2021.
To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and upon recommendation of the Audit Committee and as proposed by the Board of Directors, consent of the Company be and is hereby accorded to pay remuneration of Rs. 1,50,000/- (Rupees one lac fifty thousand only) plus GST thereon and reimbursement of out of pocket expenses at actuals to M/s Khushwinder Kumar & Co., Cost Accountant, Jalandhar, (Firm Registration No.100123) who has been appointed by the Board as Cost Auditors of the Company for the financial year 2020-2021.

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

Notes:
1. In view of continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA'), Government of India, permitted to conduct the Annual General Meeting ('AGM') through video conferencing (VC) or other audio visual means (OAVM) and dispensed personal present of the members at the meeting vide its circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and also prescribed the specified procedure to be followed for conducting the AGM through VC/OAVM. The deemed venue for the meeting shall be registered office of the Company at Milestone 18, Ambala Kalka Road Bhankharpur, Derabassi Dist. S.A.S Nagar, Mohali-140201.

2. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA circulars, the 44th AGM of the members will be held through video conferencing ('VC') or other audio visual means ('OAVM'). Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith **(Refer serial no. 34)** and the same will also be available at the website of the Company at www.punjabchemicals.com under the Investor Section.

3. The Company has appointed Central Depository Services (India) Limited (CDSL) to provide VC/OVAM facility for the AGM of the Company.

4. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, where physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

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

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

7. The explanatory statement pursuant to Section 102(1) of the Act, which sets out details relating to Special Businesses at the meeting, is annexed hereto.

8. Institutional/Corporate members are encouraged to attend and vote at the meeting through VC/OVAM. We also request them to send, a duly certified copy of the Board Resolution authorizing their representative to attend the AGM through VC/OAVM and vote through remote e-voting on its behalf at info@punjabchemicals.com and / investorhelp@punjabchemicals.com, pursuant to Section 113 of the Companies Act, 2013.

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

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

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

12. Members holding shares in Electronic (Demat) form are advised to inform the particulars of their bank account, change of postal address and email IDs to their respective Depository Participants only. The Company or its RTA i.e. Alankit

Assignments Limited, cannot act on any request received directly from the members holding shares in demat mode for changes in any bank mandates or other particulars.

13. Members holding shares in physical form are advised to inform the particulars of their bank account, change of postal address and email IDs to our RTA i.e. Alankit Assignments Limited or the Secretarial Department of the Company.

14. Members holding shares in Electronic (demat) form or in physical mode are requested to quote their DPID & Client ID or Folio details respectively in all correspondences, including dividend matters to the RTA i.e. Alankit Assignments Limited or the Secretarial Department of the Company.

15. In line with the measures of "Green Initiatives", the Act provides for sending Notice of the AGM and all other correspondences through electronic mode. The Company is concerned about the environment and utilises natural resources in a sustainable way.
Hence, the Members who have not registered their email ID with the depository participants, are requested to register their email ID with their depository participants in respect of shares held in electronic form and in respect of shares held in physical form, are requested to submit their request with their valid email ID to our RTA at rta@alankit.com or investorhelp@punjabchemicals.com for receiving all communications including annual report, notices, letters etc., in electronic mode from the Company.

16. Pursuant to Section 101 and Section 136 of the Act, read with relevant Companies (Management and Administration Rules), 2014, and Regulation 36 of SEBI (Listing Obligation Disclosures Requirement) Regulation, 2015 ("SEBI Listing Regulations"), companies can serve Annual Report and other communications through electronic mode to those Members who have registered their email ID either with the Company or with the Depository Participants. Hence, Members who have not registered their mail IDs so far with their depository participants are requested to register their email ID for receiving all the communications including Annual Report, Notices etc., in electronic mode.

17. In compliance with the provisions of MCA vide its Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5, 2020 and SEBI circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20, are being sent only through electronic mode to those Members whose email IDs are available with the Company/Depositories/RTA.

18. Members may note that the Notice of the AGM and Annual Report 2019-20 will also be available on the Company's website www.punjabchemicals.com and website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of also on the CDSL's website www.evotingindia.com

19. The process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

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 provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-8 Character DP ID followed by 8 Digits Client ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

20. Since the AGM will be held through VC/OAVM, the Route Map is not required to be annexed in this to the Notice.

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

22. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility of remote e-voting to all the members as per applicable Regulations relating to e-voting. The complete instructions on e-voting facility provided by the Company is annexed to this Notice, explaining the process of e-voting with necessary user id and password. Members who have cast their vote by remote e-voting prior to the meeting may attend the meeting but will not be entitled to cast their vote again.

The Company has fixed **Friday, September 18, 2020** as Cut-off date for determining the eligibility of Members entitled to vote at the AGM.

Instructions for the shareholders for remote e-voting are as under:

(i) The remote e-voting shall remain open for 3 days commencing from **Tuesday, the 22nd September, 2020 at 9AM (IST) to Thursday, the 24th September, 2020 at 5PM (IST) (both days inclusive)**, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, September 18, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on “Shareholders” module.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
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. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(xii) Click on the EVSN of Punjab Chemicals and Crop Protection Limited.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution if you decide to vote on them, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

23. Members who are present in meeting through video conferencing facility and have not cast their vote on resolutions through remote e-voting, shall be allowed to vote through Venue e-voting system during the meeting.

24. The Company has appointed Mr. P.S. Dua, Practicing Company Secretary, (Membership No. 4552, COP No. 3934) as Scrutinizer to scrutinize the e-voting process in fair and transparent manner.

25. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company/Electronic mode during normal business hours on all working days except Saturdays and Sundays, up to and including the date of the AGM of the Company. Members who wish to seek inspection, may send their request through an email at investorhelp@punjabchemicals.com up to the date of AGM.

26. Information required under Regulation 36 of SEBI Listing Regulations, Directors seeking Appointment/Re-appointment at the AGM is furnished as annexure to this Notice. The Directors have furnished consent/declarations for their appointment/re-appointment as required under the Act and rules made thereunder.

27. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website at www.punjabchemicals.com . Members holding shares in physical form may submit the same to M/s Alankit Assignments Ltd., Registrar and Share Transfer Agent. Members

holding shares in electronic form may submit the same to their respective depository participant.

28. Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares on which dividends remain unpaid /unclaimed for a period of 7 (seven) consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Accordingly, the Company has transferred 1,09,179 Ordinary Shares of the face value of Rs. 10 per share to the demat account of the IEPF Authority during the financial year 2017-18. The details of such shares transferred to IEPF has been uploaded on the website of the Company at www.punjabchemicals.com . The Members/claimants whose shares and unclaimed dividend have been transferred to the IEPF Authority can claim the same by making an application to the IEPF Authority in Form IEPF- 5 along with requisite documents (available on www.iepf.gov.in) and sending duly signed physical copy of the same to the Company along with requisite documents prescribed in Form IEPF-5. Member/claimant can file only one consolidated claim in a financial year as per the IEPF Rules. No claim shall lie against the Company in respect of the dividend/shares so transferred. During the financial year 2019-2020, no equity shares or dividend amount was required to be transferred to IEPF.

29. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can only be transferred in demat form with effect from April 1, 2019, except in case of request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to demat form. Members can contact the Company or our RTA for assistance in this regard.

30. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit their PAN to the Company / to our RTA.

31. **Book Closure and Dividend:**
i. The Register of Members and the Share Transfer Books of the Company will be closed from **Friday, September 18, 2020 to Friday, September 25, 2020** (both days inclusive).

ii. The dividend of Rs. 1.50 per equity share of Rs. 10 each (i.e. 15%), if declared by the Members at the AGM, will be paid subject to deduction of income-tax at source ('TDS') on or after Wednesday, September, 30, 2020 as under:

a. **For shares held in electronic form:** to all the Beneficial Owners as at the end of the day on Friday, September 18, 2020 as per the list of beneficial owners to be furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited ('CDSL') and;

b. **For shares held in physical form:** to all the Members after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company/ RTA as of the close of business hours on Friday, September 18, 2020.

iii. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company/ RTA by sending documents through e-mail by Friday, September 11, 2020.

iv. Updation of mandate for receiving dividends directly in bank account through Electronic Clearing System or any other electronic means in a timely manner:

A. **Shares held in physical form:** Members are requested to send a scanned copy of the following details/documents at rta@alankit.com latest by Friday, September 11, 2020:

1. a signed request letter mentioning their name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
i) Bank Name and Branch of Bank, Bank Account type and 11 digit IFSC Code;
ii) Bank Account Number & Type allotted by the Bank after implementation of Core Banking Solutions;
2. self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
3. self-attested scanned copy of the PAN Card; and
4. self-attested scanned copy of any document (such as Aadhaar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

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

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

The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other electronic means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/demand draft to such Members, upon normalisation of postal services and other activities.

32. Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to our RTA, for consolidation into a single folio.

33. Non-Resident Indian Members are requested to inform our RTA / respective depository participants, immediately of any:
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.

34. The process and manner of participating in Annual General Meeting through Video conferencing mode is explained herein below:

1. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to the meeting mentioning their name, demat account number/folio number, email id, mobile number at investorhelp@punjabchemicals.com. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Instructions for Shareholders for E-Voting during the AGM are as under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

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

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

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

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

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

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investorhelp@punjabchemicals.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

The Company has appointed Mr. P.S. Dua, Practicing Company Secretary, (Membership No. 4552, COP No. 3934) as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The scrutinizer shall immediately after the conclusion of voting at the AGM, count the votes and shall submit a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, within a period of 48 hours from the conclusion of the voting to the Chairperson of the Company or a person authorised by him in writing who shall countersign the same.

The Chairperson or a person authorised by him in writing shall declare the result of voting forthwith. The results of the e-voting along with the scrutinizer's report shall be communicated immediately to the BSE Limited and National Stock Exchange of India Limited, where the shares of the company are listed and shall be placed on the Company's website www.punjabchemicals.com immediately after the result declared by the Chairperson or any other person authorised by the Chairperson.

By order of the Board of Directors

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

Date: 12th August, 2020
Registered Office:
Milestone 18, Ambala Kalka Road,
Village & P.O Bhankharpur,
Derabassi, Dist. SAS Nagar,
Mohali (Punjab) - 140201
CIN: L24231PB1975PLC047063

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

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

ITEM NO. 4:

Capt Surjit Singh Chopra (Retd) (DIN:00146490), (aged around 80 years) was appointed as a Non Executive Non Independent Director of the Company, liable to retire by rotation pursuant to the provisions of the Companies Act and other applicable provisions with effect from 18th August, 2004.

Pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended in 2018, no listed Company should appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect by the members of the Company. The Company has already taken the approval of the members by way of Postal Ballot Notice dated 25th January, 2019 for his existing tenure.

Capt Surjit Singh Chopra (Retd) (DIN:00146490) has crossed the age limit prescribed under aforesaid SEBI Regulations, therefore, the Company is again seeking approval of the members for his reappointment and continuance of his directorship beyond the age of 75 years as a Director, liable to retire of rotation by way of a special resolution.

Capt Surjit Singh Chopra (Retd) is qualified in National Defence Academy (NDA), Khadakvasla and has rich of organization capabilities and inspires the management and other executives working in the Company. He has served in Indian Air Force for 15 years and Air India for 26 years. He served as a Commissioned Officer in the I.A.F. from 1961 to 1976 as a pilot and took part in three wars in 1962, 1965 & 1971. He served as an Examiner and instructor and was also a member of the Air Crew Examining Board. He served in Air India as a pilot from 1976 to 2002.

His professional exposure in Air-force and in Air India makes him a versatile person with vast experience suitable to participate in the Board discussions and advise the Board Members and the Company in various managerial and administrative matters. His analytical approach to the matters brought up before the Board and guidance have always been helpful and beneficial to the Board.

In the opinion of the Board of Directors of the Company, Capt Surjit Singh Chopra (Retd) is a person of high repute, integrity with rich and varied experience provides an invaluable input to the Company's strategic direction and decision making. His contribution and guidance during the deliberations at the Board and Committee meetings has been of immense help to the Company and will be beneficial in future also. He is a member of the CSR Committee of the Company.

In view of the above, the Board of Directors at its meeting held on 29th June, 2020 on the recommendation of the Nomination and Remuneration Committee have recommended to the shareholders to continue the directorship of Capt Surjit Singh Chopra (Retd) (DIN:00146490) as a Non Executive Non Independent Director of the Company on crossing the age limit prescribed subject to their approval by way of a Special Resolution.

Capt Surjit Singh Chopra (Retd) is and deemed to be interested in this resolution. Shri Shalil Shroff, Managing Director of the Company being relatives of Capt Surjit Singh Chopra (Retd) is also deemed to be interested in this resolution. None of the other Directors / Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

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

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

ITEM NO. 5:
Smt Aruna Rajendra Bhinge (DIN : 07474950) was appointed as a Non Executive Non Independent Woman Director on the Board of the Company w.e.f. May 29 2018 pursuant to Section 161 of the Companies Act, 2013 (the 'Act') read with the Articles of Association of the Company on the recommendation of Nomination and Remuneration Committee.

In line with recent amendment in the SEBI (Listing Obligation and Disclosure Requirements) 2015, the Board of Directors of the top 1000 listed entities should have at least one Independent Woman Director by April 1 2020. Therefore, your Company is also required to comply with the said provisions.

The Nomination and Remuneration Committee in its meeting held on January 31 2020 and the Board of Directors at their meeting held on the same day have recommended the name of Smt. Aruna Rajendra Bhinge, who is already a Non Executive Director of the Company to be appointed as an Independent Woman Director of the Company w.e.f. April 1 2020 till March 31 2025 subject to the approval of the members of the Company.

Smt. Aruna Rajendra Bhinge had given a declaration that she meets all the criteria of independence as mentioned in Section 149 (6) of the Companies Act, 2013 and SEBI (LODR). She has also got registered herself with Independent Director's Database of the Indian Institute of Corporate Affairs (IICA) vide registration No. IDDB-DI-202001-004966 for one year i.e. January 12 2020 to January 11 2021.

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

In the opinion of the Board, Smt. Aruna Rajendra Bhinge fulfils the conditions specified in the Companies Act, 2013 and the Rules framed there under and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as Independent Director and she is independent of the management.

The Company has received following documents from Smt. Aruna Rajendra Bhinge:

i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;

ii) Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified as per Section 164(2) of the Companies Act, 2013; and

iii) A declaration to the effect that she meets the criteria of independence as provided under Section 149 of the Companies Act, 2013, Regulation 16 (1)(b) and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

iv) She has got herself registered with the Directors database of the Indian Institute of Corporate Affairs.

Smt. Aruna Rajendra Bhinge is and deemed to be interested in the resolution set out at Item No. 5 of the Notice with regard to her appointment.

None of the other Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

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

The Board recommends the Ordinary Resolution as set forth in Item No. 5 of the Notice for approval of the Members.

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

ITEM NO. 6:
The shareholders of the Company in the 39th Annual General Meeting held on September 11 2015 have appointed Shri Sheo Prasad Singh (DIN: 06493455) as Independent Director of the Company for a period of 5 years i.e., from 39th Annual General Meeting upto the conclusion of 44th Annual General Meeting to be held in the year 2020. Therefore the term of Shri Sheo Prasad Singh shall expire at the ensuing Annual General Meeting.

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

The Nomination and Remuneration Committee in its meeting held on June 29, 2020 and the Board of Directors at their meeting held on the same day have appreciated the contribution of Shri Sheo Prasad Singh during his tenure as Independent Director of the Company and recommended his re-appointment as an Independent Director to hold office for another term (second term) of five (5) years up to the conclusion of 49th Annual General Meeting to be held in the year 2025 on the basis of the evaluation of performance, his contribution, rich experience and vast knowledge.

In the opinion of the Board, Shri Sheo Prasad Singh fulfils the conditions specified in the Companies Act, 2013 and the Rules framed there under and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the re-appointment as an Independent Director being independent of the management.

The Company has received following documents from Shri Sheo Prasad Singh:

i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;

ii) Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified as per Section 164(2) of the Companies Act, 2013; and

iii) A declaration to the effect that he meets the criteria of independence as provided under Section 149 of the Companies Act, 2013, Regulation 16 (1)(b) and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

iv) He has got himself registered with the Directors database of the Indian Institute of Corporate Affairs vide registration No. IDDB-DI-202002-010056 for one year i.e. 14 February 2020 to 13 February 2021.

Shri Sheo Prasad Singh is and deemed to be interested in the resolution set out at Item No. 6 of the Notice with regard to his re-appointment.

None of the other Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

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

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

The Board recommends the Special Resolution set forth in Item No. 6 of the Notice for the approval of the Members.

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

ITEM NO. 7:
The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s Khushwinder Kumar & Co. Cost Accountant, Jalandhar (Firm Registration No.100123) as the Cost Auditor of the Company to conduct audit of the cost records of all the Divisions of the Company for the financial year 2020-2021 on a consolidated remuneration of Rs. 1,50,000/- (Rupees one lac fifty thousand only) plus GST thereon and reimbursement of out of- pocket expenses.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for approval / ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval of the members.

By order of the Board of Directors

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

Date: 12th August, 2020
Registered Office:
Milestone 18, Ambala Kalka Road,
Village & P.O Bhankharpur,
Derabassi, Dist. SAS Nagar,
Mohali (Punjab) - 140201
CIN: L24231PB1975PLC047063

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

Name of the Director	**Capt Surjit Singh Chopra (Retd)**
DIN	00146490
Date of Birth	April 8, 1940
Age	80 years
Date of first appointment	August 18, 2004
Qualifications	National Defence Academy (NDA), Khadakvasla
Expertise in specific functional areas	He has served in Indian Air Force for 15 years and Air India for 26 years. He served as a Commissioned Officer in the I.A.F. from 1961 to 1976 as a pilot and took part in three wars in 1962, 1965 & 1971. He served as an Examiner and instructor and was also a member of the Air Crew Examining Board. He served in Air India as a pilot from 1976 to 2002.
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	Nil
Membership of Committees/ Chairmanship in other Public Limited Companies	N A
No. of Board Meetings attended during the year 2019-2020	5
No. of shares held	Nil
Relationships between Directors inter-se	Father in Law of Shri Shalil Shroff, who is the Managing Director of the Company.
Terms and conditions of appointment or re-appointment of Director	Continuation of directorship of Capt S.S. Chopra (Retd.) (DIN:00146490) as a Non-Executive Non Independent Director of the Company.
Remuneration last drawn (including Sitting fees, if any)	The Sitting fee along with commission drawn is disclosed in the report on Corporate Governance forming part of the Annual Report of the financial year 2019-2020.

Name of the Director	Shri Sheo Prasad Singh
DIN	06493455
Date of Birth	April 28, 1952
Age	68 years
Date of first appointment	May 28, 2015
Qualifications	M Sc. , CA I I B , P G D F R M , PGDFA

Expertise in specific functional areas	Commercial Banking including, Treasury, Direct /Indirect Taxation, management of Superannuation Funds
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	Nil
Membership of Committees/ Chairmanship in other Public Limited Companies	Nil
No. of Board Meetings attended during the year 2019-2020	7
No. of shares held	Nil
Relationships between Directors inter-se	NA
Terms and conditions of appointment or re-appointment of Director	Re-appointment as an Independent Director for the second term to hold office for a period of five (5) consecutive years from the conclusion of 44th Annual General Meeting till the conclusion of 49th Annual General Meeting of the Company to be held in the year 2025.
Remuneration last drawn (including Sitting fees, if any)	The Sitting fee along with commission drawn is disclosed in the report on Corporate Governance forming part of the Annual Report of the financial year 2019-2020.

Name of the Director	Smt. Aruna Rajendra Bhinge
DIN	07474950
Date of Birth	September 9, 1957
Age	63 years
Date of first appointment	May 29, 2018
Qualifications	Master of Management Studies from Narsee Monjee Institute of Management Studies, Master of Science from University of Bombay.
Expertise in specific functional areas	More than 30 years of experience with leadership positions in business strategy, marketing, sales, projects & partnership in the healthcare and agri business sectors.
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	Mahindra Agri Solutions Limited Laurus Labs Limited Mahindra EPC irrigation Limited
Membership of Committees/ Chairmanship in other Public Limited Companies	1. Member of Audit Committee of Laurus Labs Limited. 2. Member of CSR Committee of Laurus Labs Limited. 3. Chairperson of CSR Committee of Mahindra Agri

	Solutions Limited. 4. Member of Audit Committee of Mahindra Agri Solutions Limited. 5. Member of Nomination & Remuneration Committee of Mahindra Agri Solutions Limited.
No. of Board Meetings attended during the year 2019-2020	6
No. of shares held	Nil
Relationships between Directors inter-se	NA
Terms and conditions of appointment or re-appointment of Director	Appointment as an Independent Woman Director for the first term to hold office for a period of five (5) consecutive years w.e.f. April 1 2020 till March 31 2025.
Remuneration last drawn (including Sitting fees, if any)	The Sitting fee along with commission drawn is disclosed in the report on Corporate Governance forming part of the Annual Report of the financial year 2019-2020.

DIRECTORS REPORT

TO THE MEMBERS,

1. Your Directors have pleasure in presenting the 44th Annual Report of the business and operations along with the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on March 31, 2020.

2. FINANCIAL RESULTS:

The financial performance of the Company for the year ended March 31, 2020 is summarized below:

(Rs. In lakh)

Particulars	Consolidated*		Standalone	
	2019-2020	2018-2019	2019-2020	2018-2019
Revenue from Operations and Other Income	56269	64950	56674	65073
Earnings before Interest, Depreciation & Tax & Exceptional item (EBIDTA)	**5557**	**7300**	**6040**	**7625**
Depreciation/Amortisation	1535	1860	1535	1860
Finance Cost	1814	1726	1794	1706
Profit / (Loss) before Tax & Exceptional item	**2208**	**3714**	**2711**	**4059**
Exceptional (Expenses) / Income	**-**	**(838)**	**-**	**(838)**
Profit / (Loss) before Tax (PBT)	**2208**	**2876**	**2711**	**3221**
Income Tax Expenses:				
Current Tax	1113	542	1113	542
Adjustment of tax pertaining to earlier periods	125	38	125	38
Deferred Tax	(105)	616	(105)	616
Total Income Tax Expenses	**1133**	**1196**	**1133**	**1196**
Profit / (Loss) after Tax (PAT)	**1075**	**1680**	**1578**	**2025**
Other Comprehensive income / expense not to be reclassified to profit or loss in subsequent period	(164)	(11)	(26)	(118)
Total comprehensive income for the period	**911**	**1669**	**1552**	**1907**
Earnings per share (EPS) Basic and diluted (in Rs.) (not annualized)	8.77	13.70	12.87	16.51

Notes:

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

3. IND-AS:
As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2020 has been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under section 133 of Companies Act, 2013 and other relevant provisions of the Act.

The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner. The form and substance of the transactions are reasonable and represent the Company's state of affairs, profits and cash flows for the year ended March 31, 2020. The Notes to the Financial Statements adequately cover the standalone and consolidated Audited Statements and form an integral part of this Report.

4. STANDALONE RESULTS:
The Directors have to state that during the year under review, total income of the Company on standalone basis was Rs. 567 crore with a Profit before Tax of Rs. 27.11 crore against the income of Rs. 651 crore and Profit before Tax of Rs. 32.21 crore in the previous year. The decrease in revenue and Profit before tax during the year under review was due to decrease in sales caused by disturbance in the international markets on account of COVID 19. Further the profits have been impacted by pressure on the sale price of few products and booking of some extraordinary expenses.

The maximum sales have been from Agro Chemicals Division, Derabassi with net revenue of Rs. 383 crore against Rs. 495 crore of previous year which is 68% of the total revenue. The revenue of Specialty and Other Chemicals Division, Lalru increased to Rs. 127 crore from Rs. 115 crore of the previous year. Industrial Chemical Division Pune recorded a revenue of Rs. 37 crore against Rs. 30 crore of previous year.

The revenue generated includes Job work income of both Derabassi and Lalru divisions of Rs 29 crore against Rs. 40 crore and represent with 5.30 % of the total revenue as compared to 6.25 % in the previous year.

5. SUBSIDIARY COMPANY:
As on 31st March, 2020, the Company has only one wholly owned overseas subsidiary namely SD AgChem (Europe) NV, Belgium. The total income of SD Agchem (Europe) NV was Rs. 9.24 crore with net profit of Rs. 0.89 crore as compared to the Income of Rs. 11.24 crore with net loss of Rs. 2.32 crore in the previous year.

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

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of the subsidiary company are available on the website of the Company i.e www.punjabchemicals.com .

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

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

6. CONSOLIDATED RESULTS:

The consolidated financial statements of the Company for the year ended on March 31, 2020 comprises the standalone financial statements of Company and its subsidiary (together referred to as "the Group").

The consolidated revenue of the Company during the year under review was Rs. 563 crore with a profit before tax of Rs. 22 crore against Rs. 650 crore and profit before tax of Rs. 29 crore in the previous year.

7. OCCURRENCE OF FIRE AT DERABASSI DIVISION:

On 10 July 2019, there was a fire in one section of Agro Chemicals Division, Derabassi due to which the Company's property; plant, equipment, capital work-in-progress and inventory was damaged. The fire disrupted the production for the whole factory for a few days and the section for a longer period. This has also impacted the financial performance of the Company. The plant is fully insured under IAR Policy, and Loss of Profit. The Company has lodged claim with the insurance company for recovery of the losses suffered.

The Company has received an initial disbursement of Rs. 4.30 crore from the Insurance Company. The final claim is under process at the level of Surveyor and the Insurance Company. There are no disputes made by the insurance company against the claim. The Company has recognized, the insurance claim receivables to the extent of aforesaid losses.

8. SALE OF TARAPUR PLANT:

The Board of Directors have executed an agreement with UPL Limited to transfer the Leasehold rights of the Company, granted by MIDC, in respect of the Industrial Plots together with the Factory building situated at Tarapur, Boisar, Maharashtra to UPL Limited. The said plant was already under lease to UPL where they were manufacturing their products. Since the Company was no longer using the facility the Board considered it beneficial to sell the right of the said property and reduce the debt burden.

9. COVID-19:
In December, 2019, the COVID-19 pandemic developed rapidly into a global crisis. The Government of India enforced nationwide lock-downs of all economic activities w.e.f. 24th March, 2020. This impacted the Indian Economy adversely. The Company was also effected but not much as it was falling in exempted category and continued production at a reduced level. There was some loss of production and business for few days due to less manpower as well as delay in receipt of raw materials, which subsequently improved after the resumption of transportation of materials.

The main focus of the Company remains to ensure the health and well-being of all employees. The employees wherever possible, have been motivated to work from home. All the guidelines relating to health and safety issued by the authorities for prevention of COVID 19 are being followed at all the manufacturing sites. The Company regularly monitors the situation at all locations and will continue the operations in line with guidelines / instructions issued by the Central / State Government from time to time.

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

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

The total dividend amount to be paid for the financial year 2019-2020 shall be Rs. 183.93 lakh.

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

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 18th September, 2020 to Friday, the 25th September, 2020 (both days inclusive) and the record date will be Friday, the 18th September, 2020 for the purpose of payment of dividend for the financial year 2019-2020.

12. SHARE CAPITAL:
The paid up Equity Share Capital as at March 31, 2020 stood at Rs. 12.26 crore consisting of 1,22,62,185 equity shares of Rs. 10 each. During the year under review, the Company did not issue any type of shares or convertible securities or shares with differential voting rights. The Company also did not allot /grant any stock options or sweat equity or warrants to the employees. As on March 31, 2020, none of the Directors of the Company was holding any instrument convertible into Equity Shares of the Company.

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

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

15. OUTLOOK:
The business of the Company is Performance Chemicals, which includes Agro Chemicals, Specialty Chemicals and other chemicals. The products are sold in both domestic and export markets. The Company is also in contract manufacturing business producing products for Indian and multinational Companies. During the year under review the exports of the Company was Rs 341 crore which is 62% of the total sales.

Keeping in view the overall scenario and current optimism in the country with respect to prospects of business shifting from China to India, we see increase in exports and enhanced domestic business.

The Company continues to look for new and promising products either for contract manufacturing or for direct sale to increase its revenue and improve its profitability.
Barring unforeseen circumstances the management has a positive outlook and is confident of growth with wide range of products and new manufacturing techniques.

16. FINANCE:
As stated in the last Annual Report, the Company has settled all dues of the Banks by taking Inter Corporate Deposits from the Promoter Group and other Companies for repayment of debts. To meet the urgent requirement of certain assets the Company opted for lease arrangement from NBFCs. This became possible as the Company had come out of the CDR bindings.

During the year under review a working capital facility of Rs. 20 crore was availed from RBL bank Ltd. for the operations. In the month of December 2019, the Company availed a term loan of Rs. 15 crore for a period of 3 years from the same bank to meet the additional business needs.

CARE Rating Ltd. has assigned rating to the bank facilities from RBL Bank Ltd. at CARE BBB – (Triple B minus; Outlook : Stable).

The Company continued to repay inter corporate deposits as per the cash flow availability during the year. The Company has repaid the Inter Corporate Loan of Rs. 22 crore in the financial year 2019-2020.

As the Company will be increasing its operations, various Funding options are being considered. The Company will obtain a new credit rating, as it is on a growth path and will put together a new financial package to meet the expanded needs.

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

18. INSURANCE:
Your Company has taken adequate comprehensive insurance policy for its assets against foreseeable perils like fire, flood, public liability, marine, etc.

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

19. LISTING WITH STOCK EXCHANGES:
The Company's shares continue to be listed at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) The Annual Listing fee for the fiscal year 2019-2020 has been paid to these Exchanges.

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

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL
a) **Independent Directors**:
The term of appointment of Shri Sheo Prasad Singh as Independent Director of the Company will expire on the ensuing 44th Annual General Meeting of the Company on completion of his term.

The Nomination and Remuneration Committee at their meeting held on June 29, 2020 and the Board of Directors at their meeting held on the same day have recommended the re-appointment of Shri Sheo Prasad Singh, as Independent Director to hold office for another term of five years upto the conclusion of 49th Annual General Meeting to be held in the year 2025 on the basis of evaluation of his performance, rich experience and vast knowledge. He is registered with Independent Director's Database of the Indian Institute of Corporate Affairs (IICA) vide registration No. IDDB-DI-202002-010056.

Smt. Aruna Rajendra Bhinge, is a Non-Executive Non-Independent Director of the Company since 29th May, 2018. The Nomination and Remuneration Committee after considering all aspects, her qualification, experience in the corporate sector and her independence, decided to recommend her name as an Independent Director from 1st April 2020 for a period of 5 years in its meeting held on 31st January, 2020. She meets all the criteria of independence as mentioned in Section 149 (6) of the Companies Act, 2013 and SEBI (LODR). Further she is also registered with Independent Director's Database of the Indian Institute of Corporate Affairs (IICA) vide registration No. IDDB-DI-202001-004966. Accordingly the Board of Directors in their meeting held on 31st January, 2020 appointed Smt. Aruna Rajendra Bhinge as an Independent Woman Director, to hold office for a period of five years commencing from 1st April, 2020 till 31st March, 2025. The Board of Directors recommend her appointment to the members of the Company at its ensuing General Meeting.

After these appointments, the Company will have four Independent Directors, including a Woman Independent Director on the Board of the Company namely Shri Mukesh Dahyabhai Patel (DIN:00009605), Shri Vijay Dilbagh Rai (DIN:00075837), Shri Sheo Prasad Singh (DIN:06493455) and Smt. Aruna Rajendra Bhinge (DIN:07474950).

All these Directors have given the required undertaking for compliance of the criteria of independence as laid down in Section 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) and a declaration that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. The same was received and placed before the Board in its meeting held on June 29, 2020.

b) **Retirement by Rotation:**
In terms of Section 152 of the Companies Act, 2013 and the provisions of the Articles of Association of the Company, Capt Surjit Singh Chopra (Retd) (DIN: 00146490), Director retires by rotation at the forthcoming Annual General Meeting. He being eligible, has offered himself for reappointment. The Board has recommended his reappointment as Director, liable to retire by rotation.

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

The Company has again proposed a Special Resolution for the re-appointment and continuation of his directorship beyond 75 years of age in the ensuing Annual General Meeting.

c) **Whole Time Directors:**

i) Shri Avtar Singh (DIN:00063569), Whole Time Director of the Company is appointed by the shareholders of the Company for a period of three (3) years from 14.11.2017 to 13.11.2020 along with remuneration.

ii) Shri Shalil Shashikumar Shroff (DIN: 00015621), Managing Director of the Company is appointed by the shareholders of the Company for a period of three (3) years from 15.01.2018 to 14.01.2021 along with remuneration.

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

d) **Relationship / Transaction with Company:**
The Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company except as mentioned in Note no. 44 of the Standalone and Consolidated Financial Statements.

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

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

e) **Number of meetings of the Board of Directors**
The dates of the Board meetings are planned in advance in consultation with the Directors. During the Financial Year 2019-2020, the Board met 7 times within the prescribed intervening time gap as provided in the Companies Act, 2013. The details of the Board meetings are given in the Corporate Governance Report that forms part of this Annual Report.

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

The performance of the independent directors was evaluated by the entire Board except the person being evaluated, in their meeting held on June 29, 2020.

A separate meeting of Independent Directors was held on March 5, 2020, to review the performance of Non-Independent Directors', performance of the Board and Committee as a whole and performance of the Chairman of the Company, taking into account the views of Executive Directors and the Non-Executive Directors.

g) **Details of Familiarization Programme:**
The details of the programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model and related matters are posted on the website of the Company at https://www.punjabchemicals.com/wp-content/uploads/2020/04/Familiarization-Programme-2019-2020.pdf.

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

a. Audit Committee
b. Stakeholders Relationship Committee
c. Nomination & Remuneration Committee
d. Corporate Social Responsibility (CSR) Committee
e. Risk Assessment Committee (Non Mandatory)
The details of Composition of the Committees, number of meetings held and attendance of the Committee Members in the meetings are given in the Corporate Governance Report forming part of this Annual Report.

i) **Key Managerial Personnel ('KMP')**
In terms of the provisions of Section 2(51) and Section 203 of the Act, the Board of Directors has nominated following as KMP of the Company:
- Shri Shalil Shashikumar Shroff, Managing Director
- Shri Avtar Singh, Director (Operations & Business Development)
- Shri Vipul Joshi, Chief Financial Officer (upto March 31 2020)
- Dr (HC) Sriram Swaminathan, Chief Financial Officer (w.e.f. April 1 2020)
- Shri Punit K Abrol, Sr. V.P. (Finance) & Company Secretary
- Shri Jain Parkash, Sr. V.P. (Works)

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

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

The Company commits for the clean and healthy environment in and around of its manufacturing sites.

23. WELFARE ACTIVITIES AND CORPORATE SOCIAL RESPONSIBILITY:
i) Welfare Activities:
The Company through SDS Memorial Trust has taken up various social works for the betterment of the society.

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

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

During the year under review, the Company was required to spend Rs. 39.65 lakh on CSR activities. The amount was spent on activities like upgradation of infrastructure of schools, preventive healthcare by way of medical camps in villages including eye operations, providing sanitation and other permitted activities. The Company was able to spend only Rs. 36.05 lakh during the year as a Medical Camp planned in the last week of March, 2020 was cancelled because of COVID-19 and Lock Down. The remaining amount of Rs. 3.60 lakh will be spent during the year 2020-2021.

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

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

24. RESEARCH & DEVELOPMENT AND QUALITY CONTROL:

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

The Quality Control is the strength of the Company. All raw materials and finished products before despatch and material at various stages of processing pass through stringent quality checks for better results.

25. MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE REPORT:

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

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

(ii) **CORPORATE GOVERNANCE REPORT:**

The Company continues to adhere to the Corporate Governance requirements set out by SEBI.

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

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

26. BUSINESS RESPONSIBILITY REPORT:

Pursuant to the recent amendment in the SEBI (LODR) Regulations, 2015 effective from 26th December, 2019, top 1000 companies based on market capitalization as on March 31 of every financial year are required to have "Business Responsibility Report" (BRR) as part of their Annual Report in line with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company being covered in the top 1000 companies based on market capitalization as on March 31, 2020 is required to have the Business Responsibility Report as part of Annual Report for the year 2019-2020. Accordingly the Company has adopted the Business Responsibility Policy which is available on the website of the Company at https://www.punjabchemicals.com/wp-content/uploads/2020/07/Business-Responsibility-Policy.pdf. The Business Responsibility Report for the year ended March 31, 2020 as stipulated under Regulation 34 of SEBI Listing Regulations is annexed as **Annexure 3** which forms part of this Annual Report.

27. EXTRACT OF THE ANNUAL RETURN:

The Extract of annual return in Form MGT-9 as per the provisions of Section 134(3)(a) and 92(3) of the Companies Act, 2013 is appended as **Annexure 4** and forms part of this Report. A copy of the same is available on the website of the Company at in the investor Section at www.punjabchemicals.com.

28. AUDITORS' REPORTS:

a. Statutory Auditor Report:

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

b. Secretarial Audit Report:

The Secretarial Audit Report for the financial year 2019-2020 is annexed to this Report as **Annexure 5** and forms part of this Report**.**

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

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

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

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

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis.

Prior omnibus approval of the Audit Committee is obtained on yearly basis for the transactions which are of repetitive nature. The transactions entered into pursuant to the omnibus and specific approval are reviewed periodically by the Audit

Committee. As required under SEBI (LODR), detailed related party disclosures as per Accounting Standards, please refer Note 44 of the Standalone and Consolidated Financial statements.

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

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

Form AOC-2 pursuant to clause (h) of sub-section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure 6** and forms part of this Report.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and out go as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure 7** and forms part of this Report.

32. EMPLOYEES. AND INDUSTRIAL RELATIONS:

The Board of Directors and the Management are extremely happy and comfortable with the commitment, competence and dedication of its employees in all sphere of the business. The relation between the management and employees are transparent, healthy and cordial.

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

The Board of Directors are pleased and place on record its appreciation for all categories of employees for their sincere efforts and the sense of belonging and commitment towards the Company. Their support and sacrifice at the difficult time had helped the Company to revive.

The disclosure in terms of the provisions of Section 197(12) of the Act read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the name and details of employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 other details of the concerned employees is annexed as **Annexure 8** and forms an integral part of this annual report.

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

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

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

34. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:
The Company's Board is fully balanced with required numbers of Executive and Independent directors. As on March 31 2020, the Board consists of 8 Members, 2 of whom are Executive Directors, 3 Non Executive Non Independent Directors, 3 Independent Directors. However, from 1st April, 2020, there are 4 Independent Directors including a Woman Director. The requirement of reconstitution of the Board is evaluated from time to time. Nomination and Remuneration Committee has formulated a Nomination and Remuneration Policy under Section 178 (3) of the Companies Act, 2013 which lays down criteria for determining qualifications, positive attributes and independence of a Director and remuneration for the Directors, Key Managerial Personnel and senior management level including the appointment of personnel one level below the Key Managerial Personnel. The same can be viewed at http://www.punjabchemicals.com/wp-content/uploads/2018/07/Nomination-and-Remuneration-Policy.pdf.

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

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

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

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

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

During the year ended March 31 2020, no complaints pertaining to sexual harassment was received by the Company.

37. CEO/CFO CERTIFICATION:
In terms of the Listing Regulations, the Certificate duly signed by Shri Shalil Shashikumar Shroff, Managing Director (CEO) and Dr (HC) Sriram Swaminathan, Chief Financial Officer (CFO) of the Company was placed before the Board of Directors along with the annual financial statements for the year ended on March 31, 2020, at its meeting held on June 29 2020. The said Certificate is also annexed to the Corporate Governance Report.

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

b) **SECRETARIAL AUDITORS:**
The Board upon recommendation of the Audit Committee has reappointed M/s. P.S. Dua & Associates, Company Secretaries (CP No. 3934), as the Secretarial Auditor to undertake the Secretarial Audit of the Company for the financial year 2020-2021, in terms of Section 204 of the Companies Act, 2013 and Rules there under.

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

The Board of Directors upon recommendation of the Audit Committee appointed M/s Khushwinder Kumar & Co. Cost Accountant, Jalandhar (Firm Registration No.100123) as the Cost Auditor of the Company to conduct audit of the cost accounts of all the Divisions of the Company for the financial year 2020-2021. They have submitted a certificate of eligibility for the re-appointment.

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

The Cost Audit Report for the financial year 2018-19 has been filed and the report for the year under review will be filed before the due date.

39. TRANSFER OF EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):
Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares on which dividends remain unpaid /unclaimed for a period of 7 (seven) consecutive years or more has to be transferred to the Demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Accordingly, the Company has transferred 1,09,179 Ordinary Shares of the face value of Rs. 10 per share to the Demat account of the IEPF Authority during the financial year 2017-18. During the year 2019-2020, no equity shares or dividend was required to be transferred to IEPF.

The Company had sent individual notice to all the shareholders whose shares were due to be transferred to the IEPF Authority and has also published newspaper, advertisement in this regard. The details of such dividends/shares transferred to IEPF are uploaded on the website of the Company at www.punjabchemicals.com . The members/claimants whose shares and unclaimed dividend have been transferred to the IEPF Authority can claim the same by making an application to the IEPF Authority in Form IEPF- 5 along with requisite documents (available on www.iepf.gov.in) and sending duly signed physical copy of the same to the Company along with requisite documents prescribed in Form IEPF-5.

Member/claimant can file only one consolidated claim in a financial year as per the IEPF Rules. No claims shall lie against the Company in respect of the dividend/shares so transferred.

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

40. INTERNAL FINANCIAL CONTROLS:

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

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

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

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

41. MATERIAL CHANGES AND COMMITMENTS, IF ANY:

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

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

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

43. CHANGE IN THE NATURE OF BUSINESS:

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

44. DIRECTORS' RESPONSIBILITY STATEMENT:

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

a) in preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation / disclosure relating to material departures, if any;

b) the Directors have selected such accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit and loss of the Company for the year ended on that date;

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

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

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

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

45. INFORMATION TECHNOLOGY:

The Directors are pleased to inform that during the year under review, Company has upgraded its Information Technology infrastructure. The upgradation was in terms of Software, Hardware and Networking.

In Software:

The Company has implemented integrated ERP-SAP B1 HANA (Saas-Cloud based model) across all locations. This helped in standardization of processes, financial consolidation and automisation of many processes.

Also, implemented HRMS-4 (Web based model) across all locations which include Time Attendance & Leave Management, Contract Management and other personnel related management systems.

In Hardware:

State-of-the-Art Data Centre has been set up at Derabassi and Mini-Data Centers at rest of the locations. Also implemented centralized control of user access alongwith NAS Storage, Firewall and Antivirus with 24 x 7 on site support for three years across all locations.

In Networking domain:

The Company introduced Optical Fibre Cable (OFC) technology at all the manufacturing units. For smooth and efficient working, upgraded ILL and MPLS bandwidth across all locations with back up links.

In view of all these upgradations, the Company is equipped to handle current COVID-19 Lockdown situation by providing Work from Home facility to all the business users for hassle free working.

46. SECRETARIAL STANDARDS:

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

47. ACKNOWLEDGEMENT:

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

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

For and on behalf of the Board of Directors

MUKESH DAHYABHAI PATEL
CHAIRMAN
DIN:00009605

Place: Baroda
Date: 29th June, 2020

ANNEXURE 1 TO THE BOARD'S REPORT

FORM AOC 1

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

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

Part "A": Subsidiaries

(Rs. In lakh)

Sl.	Name of the subsidiary	SD Agchem (Europe) NV	
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same Reporting Period	
		Current Year	Previous Year
2.	Reporting Currency	**Euro**	Euro
3.	Exchange rate as on 31.03.2020	**82.25**	76.36
4.	Share capital	**7000**	7000
5.	Reserves & Surplus	**(8728)**	(8690)
6.	Total Assets	**64**	415
7.	Total Liabilities	**1792**	2105
8.	Investments	**-**	-
9.	Turnover	**914**	1120
10.	Profit before Taxation	**89**	(232)
11.	Provision for Taxation	**-**	-
12.	Profit after Taxation	**89**	(232)
13.	Proposed Dividend	**-**	-
14.	% of Shareholding	**100**	100
15.	Country	**Belgium**	Belgium

Part "B" Associates and Joint Ventures

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

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

MUKESH* DAHYABHAI *PATEL
Chairman
BARODA

SHALIL SHROFF
Managing Director
MUMBAI

AVTAR SINGH
Director (Operations & Business Development)
DERABASSI

Date: 29th June, 2020

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

SRIRAM SWAMINATHAN
Chief Financial Officer
MUMBAI

ANNEXURE 2 TO THE BOARD'S REPORT

DETAILS OF CSR ACTIVITIES OF THE COMPANY FOR THE FINANCIAL YEAR 2019-20

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to CSR policy and projects or programs	The Company firmly believes in Corporate Social Responsibilities (CSR) and commits to take initiatives to contribute to harmonious and suitable development of the Society and its inhabitants. The Company has pursued CSR activities for the welfare work directly. The Company has given preference for the welfare activities in the local areas of its manufacturing sites and corporate office. The activities undertaken during the year 2019-20 included the followings: 1. Construction of room at Public place, Upgrading of School Infrastructure, Health Care, Clean Water and Sanitation. 2. Organized Medical Camps for preventive Health Care and Eye Operation Camps. The Company's CSR Policy can be viewed at the website of the Company at http://www.punjabchemicals.com/wp-content/uploads/2019/04/CSR-Policy.pdf.
2	The Composition of CSR Committee	The Committee comprises of : a) Shri Mukesh Dahyabhai Patel, Chairman b) Shri Shalil Shashikumar Shroff, Managing Director c) Capt. Surjit Singh Chopra (Retd.), Director d) Smt. Aruna Rajendra Bhinge, Director
3	Average net profit of the Company for the last three financial years for the purpose of computation of CSR amount.	Rs. 1982.33 lakh.
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	Rs. 39.65 lakh.
5	Details of CSR spent during the financial year:	Rs. 36.05 lakh.
	a) Total amount to be spent for the financial year.	Rs. 39.65 lakh.
	b) Amount unspent, if any.	Rs. 3.60 lakh.
	c) Manner in which the amount spent during the year is detailed below:	

	CSR Project / Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local areas (2) State and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount actual Spent on Programs / Projects	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing Agency

a.	Improvement in infrastructure, upgradation of buildings, class rooms, playground, sanitation & water facility in Govt. Schools and College as per their requirement in the nearby villages of manufacturing sites and corporate office, Mumbai.	Education	Local areas, Distt. Mohali, Punjab and Mumbai.	28.50	28.65	28.65	Direct
b.	Two Eye Check up Camps were organized in the surrounding villages of Derabassi during the year, where 500 patients were examined and 139 patients operated (Eye Cataract Surgery).	Health Care	Local areas of manufacturing site at Distt. Mohali, Punjab	11.15	7.40	7.40	Direct
	TOTAL			**39.65**	**36.05**	**36.05**	
6	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	The Company had planned to organise a Medical Camp in the last week of March, 2020, which was cancelled because of Lock Down due to COVID-19. Accordingly, an unspent amount of Rs. 3.60 lakh will be spent during the year 2020-2021.					
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policies of the Company.	The CSR Committee of the Company has confirmed that they have implemented and monitored the CSR Policy in compliance with CSR objectives.					

SHALIL SHROFF
MEMBER, CSR COMMITTEE
DIN: 00015621
MUMBAI

MUKESH D PATEL
CHAIRMAN, CSR COMMITTEE
DIN:00009605
BARODA

ANNEXURE 3 TO THE BOARD'S REPORT

Business Responsibility Report 2019-2020
[Regulation 34 (2) (f) of SEBI Listing Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY		
1.	**Corporate Identity Number (CIN) of the Company**:	L24231PB1975PLC047063
2.	**Name of the Company** :	Punjab Chemicals and Crop Protection Limited
3.	**Registered address** :	Milestone-18, Ambala-Kalka Road, Village & Post office Bhankharpur, Derabassi, District SAS Nagar (Mohali) -140201
4.	**Website**: **E-mail id**:	*www.punjabchemicals.com* info@punjabchemicals.com
5.	**Financial Year reported**:	2019-2020
6.	**Sector(s) that the Company is engaged in (industrial activity code-wise):**	
	Chemicals (Performance Chemicals)	20119, 20211
	As per National Industrial Classification – Ministry of Statistics and Programme Implementation.	
7.	**List three key products/services that the Company manufactures/provides (as in balance sheet)**	
	The Company principally manufactures 'Performance Chemicals' comprising of Agrotechnicals, API's, Pharmaceutical Intermediates, Phosphorous Derivatives and Speciality Chemicals.	
8.	**Total number of locations where business activity is undertaken by the Company**	
	(a) N umber of International Locations (Provide details of major 5)	SD Agchem (Europe) NV N.A. (Subsidiary Company 100%) 2 (87) Uitbreiding straat 84/B32600, Berchem(Antwerp) Belgium
	(b) Number of National Locations:	Derabassi, Punjab Lalru, Punjab Pune, Maharashtra Mumbai, Maharashtra
9.	**Markets served by the Company – Local/State/National/International**:	India – All International – major in Europe, Japan and UK.
SECTION B:		
	FINANCIAL DETAILS OF THE COMPANY	
1.	**Paid up Capital** (INR in Crore) :	12.26
2.	**Total Turnover** (INR in Crore) :	548
3.	**Total profit after taxes** (INR in Crore) :	15.78
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax** (%):	Total spend on CSR during financial year 2019-2020 is INR 36.05 lakh which is in compliance of Section 135 read with Schedule VII of the Companies Act, 2013. The 2% of the average profit for the last three years INR 39.65 lakh. An amount of Rs. 3.60 lakh was unspent due to COVID-19 and Lockdown which will be spent during the year 2020-2021.

<table>
<tr><td>5.</td><td colspan="2">List of activities in which expenditure in 4 above has been incurred:</td></tr>
<tr><td></td><td colspan="2">• Education
• Healthcare
• Animal Husbandry</td></tr>
<tr><td colspan="3">SECTION C:</td></tr>
<tr><td></td><td>OTHER DETAILS</td><td></td></tr>
<tr><td>1.</td><td>Does the Company have any Subsidiary Company/Companies?</td><td>Yes. Company has one 100% subsidiary in the name of 'SD Agchem (Europe) NV' based in Belgium.</td></tr>
<tr><td>2.</td><td>Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)</td><td>This is the first year for the Company to publish Business Responsibility Report. The Company to encourage its subsidiary to participate in the business responsibility initiatives.</td></tr>
<tr><td>3.</td><td>Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]</td><td>The Company does not mandate its suppliers and distributors to participate in the business responsibility initiatives.</td></tr>
<tr><td colspan="3">SECTION D:</td></tr>
<tr><td></td><td>BR INFORMATION</td><td></td></tr>
<tr><td>1.</td><td colspan="2">Details of Director/Directors responsible for BR</td></tr>
<tr><td></td><td colspan="2">(a) Details of the Director/Directors responsible for implementation of the BR policy/policies:
<table>
<tr><td>Particular</td><td>Details of Director</td></tr>
<tr><td>DIN Number</td><td>00015621</td></tr>
<tr><td>Name of Director</td><td>Shalil Shashikumar Shroff</td></tr>
<tr><td>Designation</td><td>Managing Director</td></tr>
</table></td></tr>
<tr><td></td><td colspan="2">(b) Details of the BR head:
<table>
<tr><td>Particular</td><td>Details of Director</td></tr>
<tr><td>DIN Number</td><td>00063569</td></tr>
<tr><td>Name of Director</td><td>Avtar Singh</td></tr>
<tr><td>Designation</td><td>Director (Operations & Business Development)</td></tr>
<tr><td>Telephone Number</td><td>01762- 280086, 522250</td></tr>
<tr><td>Email ID</td><td>info@punjabchemicals.com</td></tr>
</table></td></tr>
<tr><td>2.</td><td colspan="2">Principle-wise (as per NVGs) BR Policy/policies:
The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:
<table>
<tr><td>P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.</td></tr>
<tr><td>P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.</td></tr>
<tr><td>P3 Businesses should promote the wellbeing of all employees.</td></tr>
<tr><td>P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.</td></tr>
<tr><td>P5 Businesses should respect and promote human rights.</td></tr>
<tr><td>P6 Business should respect, protect, and make efforts to restore the environment.</td></tr>
<tr><td>P7 Businesses, when engaged in influencing public and regulatory policy, should do so in</td></tr>
</table></td></tr>
</table>

a responsible manner.
P8 Businesses should support inclusive growth and equitable development.
P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are based on the "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" released by the Ministry of Corporate Affairs, Government of India.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	Yes. The Business Responsibility Policy covering all nine Principles / Policies is approved by the Board in their meeting held on June 29, 2020 and signed by the Managing Director.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company will make a Committee to oversee the implementation of the Policy.								
6.	Indicate the link for the policy to be viewed online?	https://www.punjabchemicals.com/wp-content/uploads/2020/07/Business-Responsibility-Policy.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies will be communicated to key internal stakeholders of the Company. The BR policies are communicated through this report and also through the website of the company.								
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The BR Policies will be evaluated internally.								

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

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

3.	**Governance related to BR:**
a.	**Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.** Pursuant to amendments in the SEBI (LODR) Regulations, 2015 effective from 26th December, 2019, top 1000 companies based on market capitalization are required to have "Business Responsibility Report" (BRR) as part of their Annual Report. Accordingly this is the first year of implementation. Therefore, endeavour is to develop system, which can support assessment of the BR performance of the Company at a regular interval.
b.	**Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?** The Company is publishing Business Responsibility Report first time in the current financial year 2019-2020 as a part of Annual Report. The Business Responsibility Report can be accessed at the website of the Company i.e. www.punjabchemicals.com .
SECTION E: PRINCIPLE-WISE PERFORMANCE	
	Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability. The Company firmly believe that for a successful and sustainable business, a strong foundation of ethical corporate citizenship and establishment of good corporate culture is essential. The Management and Employees of the Company are committed to operate its business ethically in a manner such that all stakeholders i.e. investors, creditors, distributors, customers, employees, and even competitors, the governments and society at large, dealt within a fair manner. PCCPL has always believed in adhering to the best governance practices to ensure protection of interests of all stakeholders of the Company. The core value of PCCPL's ethical policy and practices are trustworthiness, respect,

	responsibility, fairness, caring and with integrity, wherever it operates. PCCPL believe that the ethical behaviour of the company is predicted by the ethical behaviour of its owners, directors, managers and employees towards its stakeholders i.e. investors, creditors, distributors, customers, employees, the governments and society at large. The measurement of ethical behaviour revolves around **a.** Fairness to all stakeholders; **b.** Transparency in all business dealings; **c.** Raising that trust and confidence of stakeholders in the way the company operates; **d.** Understanding and discharging societal responsibility; **e.** Long term thinking; **f.** Overcoming from greed, insecurity, and lack of confidence; **g.** Following every law of the land even when the law enforcers may not be able to detect the violation. Besides above, it is also expected from every member of the Board and Senior management including the functional heads; i. To participate in a company meeting, depending upon their eligibility and/ or requirement, and do not involve in related party transactions. **ii.** Do not take directorship in competitor's company.
1.	**Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?** The Company's code of conduct and policy on Ethics, Transparency and Accountability covers the policy on bribery and anti-corruption and is applicable to its business associates, subsidiary, suppliers, contractors, NGOs and other entities, which are directly dealing with the company in business operations.
2.	**How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.** During the year under review, the Company did not receive any such complaint.
	Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle. The Company, as a responsible organisation ensures that its products and manufacturing processes have minimal impact on the society and environment. The Company focuses on doing its business responsibly by driving sustainable practices across all its businesses. **1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.** We are manufacturing Performance Chemicals having products which incorporate positive environmental attributes. The Company strives to embed the principles of sustainability across various stages of product or service life-cycle and also aims to have a positive social impact through its operations.

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

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

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

The Company manufactures a wide range of Performance Chemicals. As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level. Further refer to the 'Energy Conservation' Annexure which is a part of the Directors' report for the reduction/ optimization of resources and energy consumption achieved in our operations.

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

(a) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**
The Company has formulated an operating procedure to approve vendors. Materials are procured from approved vendors both, local and international.
The Company promotes responsible sourcing of raw materials across all locations.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
Yes

(a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**
The Company believes in uplifting the local economy in the vicinity of its operations by procuring material and services from local communities and vendors, wherever possible.

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

The Company believes in waste minimization and have mechanism to recycle products, wherever possible. This is a part of the drive for process efficiency and product stewardship.

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

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

1. Please indicate the Total number of permanent employees - 1089
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis – 640
3. Please indicate the Number of permanent women employees – 53

	4. Please indicate the Number of permanent employees with disabilities – Nil **5. Do you have an employee association that is recognized by management – Yes** **6. What percentage of your permanent employees is members of this recognized employee association? – 68.5 %** **7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year – Nil** **8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?** The employees of all the plants were covered for various safety trainings.
	Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. The Company has identified suppliers, customers, employees, local community and investors as its key stakeholders. The Company will have periodic engagement with these stakeholders to understand their problems. **1. Has the company mapped its internal and external stakeholders?** The Company will map its stakeholders in due course. **2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?** The Company will identify disadvantaged, vulnerable & marginalized stakeholders in the vicinity of its operations and engages with them regularly to address their needs and concerns in due course. **3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.** The Company will take special initiative to engage with the disadvantaged, vulnerable and marginalized stakeholders. A Committee will be formed to short list these types of stakeholders.
	Principle 5: Businesses should respect and promote human rights. The Company respects and promotes human rights for all individuals. It is committed to identify, prevent, and mitigate adverse human rights impacts resulting from or caused by business activities before or if they occur through human rights due diligence and mitigation processes. Wherever required, the Company will engage in dialogue with stakeholders on human rights issues related to our business. We believe that local issues are most appropriately addressed at the local level. **1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint ventures /Suppliers / Contractors /NGOs / Others?** The Company has not framed any specific human rights policy. Though other policies like Whistle Blower and Sexual Harassment Policy deals with the issue of protecting the rights of all the employees on the company working in any business division of the company. The Company is motivated to safeguard the human rights of all stakeholders internal / external in true spirit. PCCPL discourages dealing with any business partners who are not serious in protection of Human Rights and have non-compliance at their end. At PCCPL employability of Child labour

	or forced labour is strictly prohibited. **2. How many stakeholder complaints with respect to Human Rights have been received in the past financial year and what percent was satisfactorily resolved by the management?** Nil
	Principle 6: Business should respect, protect, and make efforts to restore the environment. The Company values the long-term benefits of adhering to environmental best practices and is committed to respect, protect, and make efforts to restore the environment. **1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors / NGOs / others.** The Policy related to Principle 6 covers only the Company. **2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.** The Company has been actively addressing global climate change issues by adopting renewable energy and energy efficiency measures in its operations, and by planting trees. **3. Does the company identify and assess potential environmental risks? Y/N** Yes, the Company identifies potential risks and has assessed their potential impacts & probability of occurrence, identified mitigation measures and delegated responsibilities to mitigate potential environmental risks. The Company is serious and aware of healthy environment. The efforts to reduce air pollution by minimizing ash / dust particles in air and foul smell of chemicals and safety issues of the units is a continuous process. Moreover, the plants are regularly monitored by the concerned Pollution Control Department. There is always a risk of fire, explosions and air pollution. The Company has taken possible safety measures and follow necessary parameters for the safety of plant, people and its surroundings. Safety audits are conducted in routine by internal as well as external teams. The storage and safety aspects are regularly monitored. The head of the department of safety holds regular meetings and brief the people concerned so that they remain vigilant and alert. Proper safety systems are installed to minimize the after effects of any mis-happening in the premises and proper safety kits and training is given to employees. The Company stresses that not only inside of the plants but the surroundings should also remain safe and clean for the inhabitants. **4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?** The Company has not registered any projects under the Clean Development Mechanism. **5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.** The Company has taken various initiatives on conservation of energy and technology absorption, which is a part of the Directors' Report. **6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?** Yes. The emissions/waste generated by the Company for Financial Year 2019-2020 are within permissible limits given by Central and State Pollution Control Boards.

	7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. As on March 31, 2020, there were no pending show cause or legal notices received from CPCB or SPCB, to the best of the Company's knowledge and understanding.
	Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. The Company operates with consistent, balanced and transparent approach with various regulatory authorities and social organisations as and when required. The Company engages with industry bodies and associations to influence public and regulatory policy in a responsible manner as and when required. **1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:** Yes. The Company is a member of Indian Chemical Council besides other business association like PHD Chambers, Chemxcil and Pharmexcil. **2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)** Yes. Sometimes on the matters related to the Company only.
	Principle 8: Businesses should support inclusive growth and equitable development. In order to achieve inclusive growth and equitable development, the Company believe that economic growth, social inclusion and environment protection must be harmonised. The Company through its various CSR projects for the local communities in the strategic theme areas identified on the basis of need assessment. **1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.** Yes. The Company has three strategic CSR themes – Education, Healthcare and Animal Husbandry and implements multiple projects close to its operations under each of these themes. **2. Are the programmes/projects undertaken through inhouse team/own foundation/external NGO/government structures/any other organization?** The Company has adopted a collaborative approach to CSR and the in house team inspect the requirement and undertake activity with approval of the Committee. **3. Have you done any impact assessment of your initiative?** Yes, the improvement in infrastructure of few schools and eye operations of many local habitats speaks itself of impact on the Society and public of those areas. **4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?** The Company undertakes Community Development Projects under the CSR Policy. The details have been given in the Annual Report.

	5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so? The Company ensures that the initiatives undertaken under the aegis of CSR are thoughtfully selected, well-executed and accepted and valued by the intended beneficiaries. Ownership and participation by the community is encouraged in the initiatives to ensure self-sustenance of the initiatives in the long-run.
	Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner. The Company believes that for a successful business, a consistent effort is essential to engage with and provide value to their customers and consumers in a responsible manner. PCCPL is committed to engage with and provide value to their customers and consumers in a responsible manner. **1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.** No consumer cases are pending. **2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)** NA **3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.** In the last five years, no case has been filed against the Company, and there is no pending case as on the end of the financial year, regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour. **4. Did your company carry out any consumer survey/ consumer satisfaction trends?** No survey carried out because, Company's products goes to other Companies not to the consumer directly.

For and on behalf of the Board of Directors

MUKESH DAHYABHAI PATEL
CHAIRMAN
DIN:00009605

Place: Baroda
Date: 29th June, 2020

ANNEXURE 4 TO THE BOARD'S REPORT
Form MGT 9 - EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2020

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

I. REGISTRATION AND OTHER DETAILS:	
CIN	L24231PB1975PLC047063
Registration Date	November 19, 1975
Name of the Company	Punjab Chemicals and Crop Protection Limited
Category / Sub-Category of the Company	Public Company / Limited by shares
Address of the Registered office and contact details	Milestone-18, Ambala Kalka Rd, Village & Post office Bhankharpur, Derabassi, District SAS Nagar (Mohali) -140201 Tel.: 01762-280086, 280094 Fax: 01762-280070
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Alankit Assignments Limited RTA Division, 4E/2, Jhandewalan Extension, New Delhi-110055 Tel.: 011-42541234, 23541234 Fax: 011-23552001

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
SD Agchem (Europe) NV Uitbreidingstraat 84/B3 2600, Berchem(Antwerp)Belgium	N.A.	Subsidiary Company	100%	2 (87)

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

i) Category- wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year (April 1, 2019)				No. of shares held at the end of the year (March 31, 2020)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian :									
a) Individual/ HUF	8,91,572	0	8,91,572	7.27	8,91,572	0	8,91,572	7.27	0.00
b) Central Govt.	0	0	0	0	0	0	0	0	0.00
c) State Govt.	0	0	0	0	0	0	0	0	000
d) Bodies Corporate	40,17,318	0	40,17,318	32.76	40,17,318	0	40,17,318	32.76	0.00
e) Banks/ FI	0	0	0	0	0	0	0	0	0.00
f) Any Other	0	0	0	0	0	0	0	0	0.00
Sub Total (A) (1)	49,08,890	0	49,08,890	40.03	49,08,890	0	49,08,890	40.03	0.00
(2) Foreign :									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0.00
b) Other-Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corporate	0	0	0	0	0	0	0	0	0.00
d) Banks/ FI	0	0	0	0	0	0	0	0	0.00
e) Any Other	0	0	0	0	0	0	0	0	0.00
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0.00
Total Shareholding of Promoters (A)= (A) (1)+(A) (2)	**49,08,890**	**0**	**49,08,890**	**40.03**	**49,08,890**	**0**	**49,08,890**	**40.03**	0.00
B. Public Shareholding									
(1) Institutions :									

a) Mutual Funds/ UTI	786	0	786	0.01	786	0	786	0.01	0.00
b) Banks/ FI	16,957	7	16,964	0.14	1,072	7	1,079	0.01	-93.64
c) Central Govt.*	1,09,172	0	1,09,172	0.89	0	0	0	0.00	-100.00
d) State Govt.	1,22,027	0	1,22,027	1.00	1,22,027	0	1,22,027	1.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	11,832	0	11,832	0.10	0	0	0	0.00	-100.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Portfolio Investor's	3,95,676	3913	3,99,589	3.26	3,85,272	3,913	3,89,185	3.17	-2.60
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B) (1)	6,56,450	3,920	6,60,370	5.39	5,09,157	3,920	5,13,077	4.18	-22.30
(2) Non-Institutions :									
a) Bodies Corporate	42,98,927	4,409	43,03,336	35.09	42,36,315	4,365	42,40,680	34.58	-1.46
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	14,37,204	1,16,050	15,53,254	12.67	14,44,520	1,10,337	15,54,857	12.68	0.10
ii) Individual shareholders holding nominal share	4,91,016	0	4,91,016	4.00	5,71,378	0	5,71,378	4.66	16.37

capital in excess of Rs. 2 lakh									
c) Others (specify)									
i) Trust	22,575	0	22,575	0.18	28,828	0	28,828	0.24	27.70
ii) Directors & Relatives	51,293	0	51,293	0.42	51,293	0	51,293	0.42	0.00
iii) Non Resident Indian	55,683	232	55,915	0.46	57,399	232	57,631	0.47	3.07
iv) HUF	2,15,536	0	2,15,536	1.76	2,26,733	0	2,26,733	1.85	5.19
v) Clearing Member	0	0	0	0.00	865	0	865	0.01	0.01
vi) IEPF*	0	0	0	0.00	1,07,953	0	1,07,953	0.88	0.88
Sub-Total (B)(2)	65,72,234	1,20,691	66,92,925	54.58	67,25,284	1,14,934	68,40,218	55.78	2.20
Total Public Shareholding (B)= (B) (1)+ (B) (2)	72,28,684	1,24,611	73,53,295	59.97	72,34,441	1,18,854	73,53,295	59.97	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**1,21,37,574**	**1,24,611**	**1,22,62,185**	**100.00**	**1,21,37,574**	**1,24,611**	**1,22,62,185**	**100.00**	**0.00**

* Shareholding held by IEPF is shown as a separate head under B (2) from this year, last year shareholding was shown as Central Government under head in the previous year.

ii) Shareholding of Promoters:

Shareholders Name	**Shareholding at the beginning of the year (April 1, 2019)**			**Shareholding at the end of the year (March 31, 2020)**			**% change in shareholding during the year**
	No. of shares	**% of total shares of the Company**	**% of Shares pledged/ encumbered to total shares**	**No. of shares**	**% of total shares of the Company**	**% of Shares pledged/ encumbered to total shares**	
Rupam Shalil Shroff	1,83,191	1.49	0.00	1,83,191	1.49	0.00	Nil

Rupam Shalil Shroff	100	0.00	0.00	100	0.00	0.00	Nil
Hemsil Trading & Manufacturing Pvt. Ltd.	40,17,318	32.76	0.00	40,17,318	32.76	0.00	Nil
Hemal Raju Shete	63,750	0.52	0.00	63,750	0.52	0.00	Nil
Ishika S. Shroff	27,894	0.23	0.00	27,894	0.23	0.00	Nil
Malvika S. Shroff	35,340	0.29	0.00	35,340	0.29	0.00	Nil
Salil S. Shroff HUF	77,652	0.63	0.00	77,652	0.63	0.00	Nil
Shalil Shashikumar Shroff	1,49,062	1.22	0.00	1,49,062	1.22	0.00	Nil
Shaila Shashikumar Shroff	1,24,002	1.01	0.00	1,24,002	1.01	0.00	Nil
Shalil Shashikumar Shroff	22,125	0.18	0.00	22,125	0.18	0.00	Nil
Shalil Shashikumar Shroff	1,67,956	1.37	0.00	1,67,956	1.37	0.00	Nil
Shalil Shashikumar Shroff	40,500	0.33	0.00	40,500	0.33	0.00	Nil
TOTAL	**49,08,890**	**40.03**	0.00	**49,08,890**	**40.03**	**0.00**	**Nil**

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	**% of total shares of the Company**	**No. of Shares**	**% of total shares of the Company**
At the beginning of the year	49,08,890	40.03%	49,08,890	40.03%
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	NIL		NIL	
At the end of the year	49,08,890	40.03%	49,08,890	40.03%

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Name	Shareholding at the beginning of the year	Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year

	No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1. Gowal Consulting Services Pvt. Ltd*	30,00,000	24.47	Nil	Nil	Nil	30,00,000	24.47
2. Excel Industries Ltd.*	5,84,977	4.77	Nil	4.77	Nil	5,84,977	4.77
3.Arial Holdings1*	3,16,676	2.58	26-07-2019	2,000	Market Purchase	3,18,676	2.60
4. Pratap Chand L Shah	0	0	Nil	1,43,000	Market Purchase	1,43,000	1.17
5. Punjab State Industrial Development Corporation Ltd*	1,22,027	1.00	Nil	Nil	Nil	1,22,027	1.00
6. Investor Education and Protection fund Authority (MCA)*	1,09,172	0.89	19-07-2019	-225	Release from IEPF	1,08,947	0.89
			02-08-2019	-50	Release from IEPF	1,08,897	0.89
			06-08-2019	-7	Release from IEPF	1,08,890	0.89
			23-08-2019	-18	Release from IEPF	1,08,872	0.89
			30-08-2019	-5	Release from IEPF	1,08,867	0.89
			20-09-2019	-14	Release from IEPF	1,08,853	0.89
			30-09-2019	-37	Release from IEPF	1,08,816	0.89
			11-10-2019	-8	Release from IEPF	1,08,808	0.89
			08-11-2019	-450	Release from IEPF	1,08,358	0.88

			22-11-2019	-5	Release from IEPF	1,08,353	0.88
			29-11-2019	-200	Release from IEPF	1,08,153	0.88
			24-01-2020	-200	Release from IEPF	1,07,953	0.88
7. C. Mackertich*	75,000	0.61	27-09-2019	12,950	Market Purchase	87,950	0.72
			06-12-2019	15,250	Market Purchase	1,03,200	0.84
			13-12-2019	25,000	Market Purchase	1,28,200	1.05
			20-03-2020	-26,500	Market Sale	1,01,700	0.83
8. Nitiket Investment Pvt. Ltd.*	75,000	0.61	25-10-2019	10,000	Market Purchase	85,000	0.69
9. Motilal Oswal Financial Services Ltd. - Client	0	0.00	04-10-2019	82,779	Market Purchase	82,779	0.68
			11-10-2019	40	Market Purchase	82,819	0.68
			25-10-2019	-608	Market Sale	82,211	0.67
			08-11-2019	1	Market Purchase	82,212	0.67
			22-11-2019	-4,297	Market Sale	77,915	0.64
			29-11-2019	-1,751	Market Sale	76,164	0.62
			06-12-2019	673	Market Purchase	76,837	0.63
			13-12-2019	-702	Market Sale	76,135	0.62
			20-12-2019	-5,352	Market Sale	70,783	0.58
			27-12-2019	-2,081	Market Sale	68,702	0.56
			31-12-2019	-13	Market Sale	68,689	0.56
			03-01-2020	14,307	Market Purchase	82,996	0.68
			17-01-2020	9	Market	83,005	0.68

					Purchase		
			24-01-2020	-20	Market Sale	82,985	0.68
			31-01-2020	-50	Market Sale	82,935	0.68
			07-02-2020	-2	Market Sale	82,933	0.68
			13-03-2020	-58	Market Sale	82,875	0.68
10. Kwality Alutrade Pvt. Ltd.*	72,713	0.59	05-04-2019	-1,471	Market Sale	71,242	0.58
			12-04-2019	480	Market Purchase	71,722	0.58
			26-04-2019	-474	Market Sale	71,248	0.58
			03-05-2019	108	Market Purchase	71,356	0.58
			10-05-2019	734	Market Purchase	72,090	0.58
			17-05-2019	660	Market Purchase	72,750	0.59
			24-05-2019	325	Market Purchase	73,075	0.59
			31-05-2019	-1,597	Market Sale	71,478	0.58
			07-06-2019	200	Market Purchase	71,678	0.58
			14-06-2019	500	Market Purchase	72,178	0.59
			28-06-2019	100	Market Purchase	72,278	0.59
			05-07-2019	-605	Market Sale	71,673	0.58
			16-08-2019	175	Market Purchase	71,848	0.58
			23-08-2019	-26	Market Sale	71,822	0.58
			30-08-2019	-568	Market Sale	71,254	0.58
			06-09-2019	870	Market Purchase	72,124	0.59
			13-09-2019	450	Market Purchase	72,574	0.59

			20-09-2019	-602	Market Sale	71,972	0.59
			17-01-2020	1,500	Market Purchase	73,472	0.60
			24-01-2020	-750	Market Sale	72,722	0.59

Note:* Common top 10 shareholders as on 31st March, 2019

v) Shareholding of Directors and Key Managerial Personnel

Name	**Shareholding at the beginning of the year**		**Date**	**Increase/ Decrease in share holding**	**Reason**	**Cumulative Shareholding during the year**	
	No. of shares	**% of total shares of the Company**				**No. of shares**	**% of total shares of the Company**
Shalil Shashikumar Shroff*	2,30,581	1.88%	Nil	Nil	Nil	2,30,581	1.88%
Mukesh Dahyabhai Patel	400	0.00%	Nil	Nil	Nil	400	0.00%
Avtar Singh	7,011	0.06%	Nil	Nil	Nil	7,011	0.05%
Shiv Shankar Shripal Tiwari*	11,589	0.09%	Nil	Nil	Nil	11,589	0.09%
Vipul Harsukhlal Joshi** (KMP)	1,114	0.009%	Nil	Nil	Nil	1,114	0.009 %
Punit Kumar Abrol (KMP)	1	0.00%	Nil	Nil	Nil	1	0.00%

Note: * Shareholding in the first individual name of the Director has been considered here.
** Mr. Vipul Joshi ceased to be the CFO of the Company w.e.f. 31st March, 2020.

V. INDEBTEDNESS (Rs : in Lakh)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	193	8,950	-	9,143
ii) Interest due but not paid	-	134	-	134

iii) Interest accrued but not due	-	-	-	
Total (i + ii+ iii)	**193**	**9,084**	**-**	**9,277**
Change in Indebtedness during the year				
Addition	3197	150	-	3347
Reduction	256	2341	-	2597
Net Change	**2941**	**-2191**	**-**	**750**
Indebtedness at the end of the financial year				
i) Principal Amount	3134	6785	-	9919
ii) Interest due but not paid	-	108	-	108
iii) Interest accrued but not due	-	-	-	-
Total (i + ii+ iii)	**3134**	**6893**	**-**	**10027**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Particulars of Remuneration	Shalil Shashikumar Shroff Managing Director	Avtar Singh Whole-Time Director	Total Amount
1. Gross Salary			
a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	186.05	140.12	326.17
b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	0.60	0.60	1.20
c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	Nil	Nil	Nil
2. Stock Options	Nil	Nil	Nil
3. Sweat Equity	Nil	Nil	Nil
4. Commission	Nil	Nil	Nil
- as % of profit	20.00	10.00	30.00
- others, specify	Nil	Nil	Nil
5. Others, please specify	Nil	Nil	Nil
a) Retiral benefits	Nil	Nil	Nil
TOTAL (A)	**206.65**	**150.72**	**357.37**

The remuneration to both the Whole Time Directors has been paid in accordance with the provisions of the Companies Act, 2013. The Board approved the lump sum amount of commission which is less than the limit prescribed under the Act. The Commission paid to the Whole Time Directors was for the financial year 2018-19 paid in the financial year ending 31st March, 2020 and the remuneration is for the current financial year 2019-2020.

B. Remuneration to Other Directors

1. Independent Directors (Rs. In lakh)

Particulars of Remuneration	Vijay Rai	Mukesh Dahya bhai Patel	Sheo Prasad Singh	Total amount
- Fee for attending Board/ Committee Meetings	3.15	2.85	2.25	8.25
- Commission	7.00	7.00	1.50	15.50
- Others, please specify	Nil	Nil	Nil	Nil
TOTAL (B)(1)	10.15	9.85	3.75	23.75

2. Other Non-Executive Directors (Rs. In lakh)

Particulars of Remuneration	Capt. Surjit Singh Chopra	Shivshankar Shripal Tiwari	Aruna R. Bhinge	Total amount
- Fee for attending Board/ Committee Meetings	0.90	1.05	2.10	4.05
- Commission	1.50	1.50	1.50	4.50
- Others, please specify	Nil	Nil	Nil	Nil
TOTAL (B)(2)	**2.40**	**2.55**	**3.60**	**8.55**

Ceiling: Siting fees and commission was paid to Directors who are not Executive Directors which is within the limits, as per the Companies Act, 2013.
The Commission paid to the Non-Executive Directors was for the financial year 2018-19 paid in the financial year ending 31st March, 2020.

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD (Rs. In lakh)

Particulars of Remuneration	Punit Kumar Abrol Company Secretary	Vipul Harsukhlal Joshi Chief Financial Officer	Jain Parkash Sr. V.P. Works	Total amount
1. Gross Salary				
a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	68.31	87.74	73.17	229.22
b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	8.85	10.78	9.28	28.91
c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
2. Stock Options	Nil	Nil	Nil	Nil
3. Sweat Equity	Nil	Nil	Nil	Nil
4. Commission				
- as % of profit	Nil	Nil	Nil	Nil
- others, specify	Nil	Nil	Nil	Nil
5. Others, please specify				
a) Retiral benefits	Nil	Nil	Nil	Nil
TOTAL (C)	**77.16**	**98.52**	**82.45**	**258.13**

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

ANNEXURE 5 TO THE BOARD'S REPORT

P. S. DUA & ASSOCIATES
COMPANY SECRETARIES

5SF, SantIsher Singh Nagar, Pakhowal Road, Ludhiana – 141002 (Punjab), Tel. 0161 – 4623424
E-Mail: cspsdua@gmail.com

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2020
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31 March 2020 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**") and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: There was no Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment, as informed to us by the management of the Company.
(v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**"):-
  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable to the Company during the period under review.
  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable to the Company during the period under review.
  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable to the Company during the period under review.
  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act 2013 and dealing with client - Not applicable to the Company during the period under review.
  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company during the period under review.
  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable to the Company during the period under review.

We have also examined compliance with the applicable clauses of the following:
(i) Secretarial Standards with respect to the Meetings of Board of Directors (SS-1), General Meetings (SS-2), and Dividend (SS-3) issued by The Institute of Company Secretaries of India; and
(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

In this regard, the company has received emails from the Securities and Exchange Board of India ("**SEBI**") dated 8 August 2019 & dated 4 October 2019 pertaining to

"Disclosure of material information by M/s Punjab Chemicals and Crop Protection Ltd, in regard to Sale of its Subsidiary". The same has been replied to by the Company, vide its emails dated 14 August 2019 and 19 October 2019, respectively.

Pursuant to the emails, the Adjudicating Officer of SEBI has issued a Show Cause Notice to the Company, Managing Director and Director (Operations and Business Development), vide reference no. SEBI/EAD/AA/KL/10923/2020 dated 10th June, 2020 [after the Audit Period] under Rule 4 of the Securities Contracts (Regulations) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 read with Section 23E of the SCRA and Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 read with Section 15 HB of the SEBI Act, for an alleged violation with the certain provisions of Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has obtained a legal opinion in this regard from its legal counsel, as per the information provided to us.

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

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

(i) The Boilers Act, 1923;
(ii) The Poisons Act, 1919;
(iii) Insecticides Act, 1968;
(iv) Drugs and Cosmetics Act, 1940;
(v) The Environment (Protection) Act, 1986;
(vi) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
(vii) The Water (Prevention & Control of Pollution) Act, 1974; and
(viii) The Air (Prevention & Control of Pollution) Act, 1981.

We further report that:

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

Adequate notice was given to all the Directors to schedule the Board meetings, and agenda and detailed notes on agenda were sent at least 7 (seven) days in advance except 2 (two) meetings which were conducted on at shorter notice, in compliance with the provisions of the Companies Act, 2013. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the review period:

(i) There was a fire accident in one section of Agro Chemical Division of the Company, Derabassi, Distt. Mohali on 10 July 2019. The plant was fully insured under Industrial All Risk Policy [IAR Policy]. The Company has lodged the claim with the Insurance Company, for the losses suffered, which is under survey, and no disputes were made by the insurance company against such claim, as per the information provided to us by the Management.

(ii) The Company has transferred lease hold rights of Tarapur Plant and all equipment of Industrial Chemicals Division of the Company to UPL Limited with the permission of Maharashtra Industrial Development Corporation. The same does not form an undertaking under Section 180(1)(a) of the Companies Act, 2013, as per the information provided to us by the Management.

Note: *Considering the situation due to pandemic "COVID-19" and lockdown being declared nationwide, the process of the audit has been modified. Some of the books, documents, records, e-forms (forms) and returns, registers, minutes were not verified physically and the same were made available in electronic form and were verified on the basis of the representations received from and made by the management of the Company, its officers, agents and authorized representatives for its accuracy and authenticity. Accordingly, whenever, in the report, words such as "examined", "review", "verification", being stated it should be construed as inclusive of examination, review, verification, of electronic records.*

Place: - Ludhiana **Sd/-**
Date: -27.06.2020 **P. S. Dua**

Name of Company Secretary in Practice
FCS No. 4552, C P No. 3934
UDIN: F004552B000390421

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

Annexure A to Secretarial Audit Report

To
The Members
Punjab Chemicals and Crop Protection Limited
Milestone 18, Ambala Kalka Road,
Village & P.O. Bhankharpur,
Derabassi, Mohali, Punjab –140201.
(CIN: L24231PB1975PLC047063)
Our Report of even date is to be read along with this letter.

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

For P. S. Dua & Associates

Company Secretaries
(CP No. 3934)

Date: - 27.06.2020
Place: - Ludhiana
UDIN: F004552B000390421

ANNEXURE 6 TO THE BOARD'S REPORT

FORM AOC-2

PARTICULARS OF CONTRACTS/ ARRANGEMENTS MADE WITH RELATED PARTIES

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

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

<table>
<tr><td>1.</td><td colspan="2">Details of contracts or arrangements or transactions not at arm's length basis:</td></tr>
<tr><td>a)</td><td>Name(s) of the related party and nature of relationship</td><td rowspan="8">There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020, which were not at arm's length basis.</td></tr>
<tr><td>b)</td><td>Nature of contracts/arrangements/transactions</td></tr>
<tr><td>c)</td><td>Duration of the contracts / arrangements / transactions</td></tr>
<tr><td>d)</td><td>Salient terms of the contracts or arrangements or transactions including the value, if any</td></tr>
<tr><td>e)</td><td>Justification for entering into such contracts or arrangements or transactions</td></tr>
<tr><td>f)</td><td>Date(s) of approval by the Board</td></tr>
<tr><td>g)</td><td>Amount paid as advances, if any</td></tr>
<tr><td>h)</td><td>Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188</td></tr>
<tr><td>2.</td><td colspan="2">Details of material contracts or arrangement or transactions at arm's length basis :</td></tr>
<tr><td>a)</td><td>Name(s) of the related party and nature of relationship</td><td rowspan="6">There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2020.</td></tr>
<tr><td>b)</td><td>Nature of contracts/arrangements/transactions</td></tr>
<tr><td>c)</td><td>Duration of the contracts / arrangements / transactions</td></tr>
<tr><td>d)</td><td>Date(s) of approval by the Board</td></tr>
<tr><td>e)</td><td>Amount paid as advances, if any</td></tr>
<tr><td>f)</td><td>Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188</td></tr>
</table>

For and on behalf of the Board of Directors

Place: Baroda **MUKESH DAHYABHAI PATEL**

Date: 29th June, 2020 **CHAIRMAN**

DIN:00009605

ANNEXURE 7 TO THE BOARD'S REPORT

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

A) CONSERVATION OF ENERGY

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

• Use of domestic water in quenching and scrubbing systems.

• Recovered water used in other plants to save effluent water, thereby reducing effluent treatment cost.

• Efforts to improve solvent recovery.

• Replacement of old equipments to improve efficiency and safety.

• Production capacity increased by adjusting batch sizes and ANFD installation.

• Power and fuel saving by reduction in batch time cycle.

• Old FRP cooling tower of 150 TR replaced with new FRP cooling tower of 300 TR for better efficiency in one unit.

• New condensate recovery unit installed which works with air / steam pressure instead of pump.

• Replaced all street lights of 150 watt with 30 watt LED lights.

• 10 new VFD's were installed in one unit on equipments to save energy.

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

The Company is trying to find out the alternate source of energy as Pet Coke found not suitable.

c) Capital investment on energy conservation equipments:

The Company spent Rs. 90 lakh (approx.) specifically on energy conservation items and equipments.

The Company regularly monitors the energy consumption and make necessary investment to install energy efficient equipments.

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

B) TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption;

For better raw material efficiency and better quality of the finished products, required upgradation of the technology is undertaken.

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

The above efforts reduced the cost of production.

Acknowledgement of Environment friendly processes.

Approval of sites by overseas buyers for manufacturing products.

(iii) Technology imported during the last 3 years:
The Company has not imported any technology.

(iv) The expenditure incurred on Research and Development:

	(Rs. in lakh)	
	2019-2020	**2018-2019**
a) Capital	21	98
b) Recurring	97	59
c) Total	**118**	**157**
d) Total R&D expenditure as %age of total turnover	0.20%	0.25%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

	(Rs. in lakh)	
	2019-2020	**2018-2019**
i) Earned	34104	41115
ii) Used	4359	6693

For and on behalf of the Board of Directors

MUKESH DAHYABHAI PATEL
CHAIRMAN
DIN:00009605

Place : Baroda
Date : 29th June, 2020

ANNEXURE 8 TO THE BOARD'S REPORT

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

Sr. No.	Requirements	Disclosure			
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019-2020 and percentage increase / decrease in the remuneration of each Director.	**Director's Name**	**Remuneration in Rs. Lakh**	**Ratio to MRE**	**% increase/ (decrease) in remuneration in 2019-2020 over 2018-2019**
		Shri M.D. Patel	10.15	2.33	97.47%
		Shri Shalil Shroff, Managing Director	206.65	42.79	54.22%
		Shri Vijay Rai	9.85	2.26	93.14%
		Capt. S. S. Chopra	2.40	0.55	4.35%
		Smt. Aruna R. Bhinge	3.60	0.83	100.00%
		Shri Sheo Prasad Singh	3.75	0.86	7.14%
		Shri S. S. Tiwari	2.55	0.58	24.39%
		Shri Avtar Singh, Whole Time Director	150.72	32.49	34.57%
The remuneration to both the Whole Time Directors has been paid in accordance with the provisions of the Companies Act, 2013. During the year 2019-20, all the Directors (Executive and Non Executive) were paid Commission for the year 2018-2019, which has increased the remuneration of Directors for the year 2019-20. The Commission was paid in accordance with Companies Act, 2013.					
2	The percentage increase in remuneration of Chief Financial Officer and Company Secretary in the financial year 2019-2020.	**Name**	**Designation**	**Remuneration (Rs. In lakh)**	**% increase in remuneration**
		Shri Punit K Abrol	Company Secretary	77	18.46%
		Shri Vipul Joshi	Chief Financial Officer	99	20.73%

<table>
<tr><td rowspan="2">3</td><td rowspan="2">The percentage increase in the median remuneration of employees in the financial year.</td><td>Median FY 2019-2020 (In Rs.)</td><td>Median FY 2018-2019 (In Rs.)</td><td>% increase/ decrease</td></tr>
<tr><td>4,36,235</td><td>4,01,888</td><td>8.55%</td></tr>
<tr><td rowspan="2">4</td><td rowspan="2">The number of permanent employees on the roll of the Company.</td><td colspan="2">As on 31.03.2020</td><td>As on 31.03.2019</td></tr>
<tr><td colspan="2">1089</td><td>971</td></tr>
<tr><td rowspan="3">5</td><td rowspan="3">Average percentile increase already made in the salaries of employees other than the managerial remuneration in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.</td><td>Aggregate of remuneration paid to Employees in FY 2019-2020 (Rs. in lac)</td><td>Aggregate of remuneration paid to Employees in FY 2018-19 (Rs. in lac)</td><td>% increase / decrease</td></tr>
<tr><td>6185</td><td>5748</td><td>7.60%</td></tr>
<tr><td colspan="3">The average increase in salary of employees other than managerial personnel is 7.60% from the previous year. The increment given to each individual employee is based on his experience, performance, market trend and contribution to the Company’s progress. The increase in managerial remuneration is as per the remuneration approved by the Members, based on various parameters like market trend, financial position of the Company and the responsibilities.</td></tr>
<tr><td>6</td><td>Affirmation that the remuneration is as per the remuneration policy of the Company.</td><td colspan="3">Remuneration paid to Directors, KMP’s and other employees during the year is as per the Remuneration Policy of the Company.</td></tr>
<tr><td colspan="5">Note:
1. The Median salary of the staff Members is arrived by taking into account the gross salary of the employees who worked through the year. The employees who joined or left in any part of the year have not been considered for computing the median.
2. No Stock option was granted to Directors.</td></tr>
</table>

Statement showing the detail of employees drawing aggregate remuneration exceeding one crore and two lakh rupees as per Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014.					
Employee name, designation and age	**Educational Qualification**	**Remuneration (In lakh)**	**Date of joining and experience**	**Previous employment and designation**	**Relation with any other Director / Manager**
Shalil Shroff - Managing Director 55 years	Management Diploma from U.S.A. and B.Com	206.65	15.01.1992 31 years	STS Chemicals Limited, Director	Son in law of Capt S.S. Chopra (Retd), Director
Avtar Singh - Director (Operations) & Business Development 61 years	B.Sc.	150.72	20.12.1980 39 years	Gharda Chemists (P) Ltd., Jr. Chemist	N.A.

The remuneration includes commission for the year 2018-2019 paid in the year 2019-2020.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. BUSINESS REVIEW:

1.1. Business Segment- Agro Chemicals and other Chemicals

a) Industry Structure and Development:

The global economy in Calendar Year 2019 has seen one of the slowest growth rates since the 2008 financial crisis. The International Monetary Fund estimates that the global GDP may register a growth of 2.9% in 2019, significantly lower than 3.6% in 2018, and there can be a negative growth of 3% in 2020. A slowdown had been anticipated early in the financial year, mainly because of the deterioration in the US-China trade relations, concerns over Brexit and the consequences of coronavirus stress on global manufacturing and trade. The Lockdowns in most countries though has saved lives but dealt a huge blow to economic activity, the impact of which will be felt, for a long time to come.

The Indian economy registered a growth of 4.2% in the Financial Year 2019-20, much lower than the 6.1% in 2018-19. Following the Covid-19 outbreak, in order to keep the infected numbers under control, India implemented early, one of the strictest nationwide lockdowns in the world. This has resulted in mass unemployment in the lower income segment and staff downsizing across sectors. The restriction on free movement of goods and people disrupted supply chains and nearly wiped out the demand for non-essential goods and services. This global pandemic and lockdown also affected the Indian sentiments and caused wage stagnation, job losses, rising rural unemployment, stressed non-banking financial companies and decline in credit growth which reduced domestic demand. On the supply side, excess idle production capacity and lower private investments further dragged down economic activity.

The Government of India undertook various initiatives such as liberalising sectors to attract foreign direct investments, upfront capital infusion in public sector banks to alleviate liquidity concerns and reducing corporate tax rates to revive private investments. The Reserve Bank of India ('RBI') also tried to provide a monetary stimulus by slashing the repo rate to 5.15% to boost demand and private consumption. However, with the increased duration of COVID 19, all measures are looking meagre.

With regard to Agrochemicals & Chemical Industry in India, the situation is little different. India's Chemicals sector is the 6th largest in the World and has witnessed strong growth momentum for the last couple of years. Following COVID-19, Lockdown and disruption of supply chain, the market was expecting a significant decline in 2020. However, the essential nature of chemical sector allowed manufacturing operations to resume shortly after the initial phase. There is a sign of revival across the Industry, however it has to evaluate alternative supply chain solutions. The impact of the pandemic on manufacturing operations in China, the major supplier of various raw materials to agro and specialty chemicals all over the World, is significant. Local alternates should emerge and we expect situation returning to normal soon.

b) Opportunities:
The prospects of growth in India, while they are challenging in the short term, in the long term they remain positive. There is a world wide move to diversify from China which may bring many opportunities for Indian manufacturers.

Your Company, though a small by International standards, plays an important role in meeting the world requirements of some important Agro Chemicals and Specialty Chemicals. There was some reduction in demand and production was interrupted due to disturbed supply of a few raw materials. The Company expects the situation to ease soon and operations will be normal shortly. The year 2020 started slowly but the Government has declared Agro Chemicals and Pharmaceutical Industry as exempt from lock down, therefore the situation is likely to improve. There is continuous flow of orders and supply of raw materials has become regular, which augurs well for your Company. The regular interaction with the customers at this critical time will be the key to success.

c) **Threats:** Your Company sees no serious threats except cash flow position of customers. As the monsoon appears normal it is likely it should be a good year. The Company has to remain vigilant to keep the operation of the plants going at economical level, despite various restrictions and precautionary measures advised by the Government. Health of personnel and planning of raw materials will remain a key factor in maintaining continuous operations.

d) Outlook:
Your Company is confident that with established products and settled markets, it will not have a setback in operations. The temporary effect due to international factors and the loss in the initial lockdown period was a concern. However the outlook now has changed for the better.

e) Risks and concerns:
Following factors are considered as critical for the future growth in this industry:

i. The business involving crop protection Agrochemicals are subject to stringent and changing regulations. The contract manufacturing activities across diverse countries are also subject to a high degree of statutory compliance. Any shortcoming in following these regulatory norms may disrupt operations.

ii. The businesses are vulnerable to extreme climate phenomena. Droughts, natural calamities, uneven or excess rainfall in the countries that use our products can affect our sales.

iii. The dependency on few vendors for key inputs is good but has its own drawbacks.

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

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

The Company has appointed independent firm of Chartered Accountants as Internal Auditor to audit all aspects of operations and stocks in routine. The quarterly Internal Audit Report covering the required areas is placed before the Audit Committee and the Board of Directors. The audit points recorded in the report are taken up with the concerned department and remedial measures are taken, wherever required. The action taken report on those points in Internal Audit Report are also placed before the Audit Committee.

In addition to Internal Audit, a detailed Internal Financial Control System has been established in the Company which is monitored by the Internal Auditor. They report the risk in different departments of operations of the Company and suggest controls to mitigate those risks. These controls are studied to find out the adequacy and effectiveness of Internal Financial Controls (IFC).

All major departments are reviewed every year to assess the internal controls, identify risks involved in each step of work flow and categorize risks into financial, operational, fraud and compliance. The internal auditor performs the system of walk through and / or test the effectiveness of existing controls to find out any non-conformity to the controls. The exception, if found, is reported to the management to take the remedial action.

The Audit Committee and the Board of Directors review the findings on Internal Financial Controls of the departments and enquire the reasons of non-conformity, if any. Remedial action is taken to remove non-conformity. After complete review and presentation from the Auditor, the Board gives opinion about the adequacy of Internal Financial Control System in the Company.

The Company has the Risk Assessment Committee (Committee) and the concerned Heads of various Departments are responsible to monitor the risks and take effective measures to mitigate them. The report from the concerned officers of the area is placed before the Committee and the Board of Directors.

3. FINANCIAL PERFORMANCE AND ANALYSIS:

The Financial Statements are prepared in conformity with the established Accounting Standards and Principles.

The revenue from operations and other income during the year under review on standalone basis was Rs. 567 crore against Rs. 651 crore of last year. The profit before tax was Rs. 27.11 crore in the year against Rs. 32.21 crore of last year. The major effect is due to less off take of material in the last quarter of the year under review due to international disruption and effect of COVID-19. There was less Job Work Income at Rs. 28.89 crore against Rs. 39.70 crore during the last year. The exports of Rs. 341 crore was less against Rs. 411 crore of last year. These exports were 62% of total turnover against 64% of last year.

The Agro Chemical plant at Derabassi recorded the total revenue generation of Rs. 383 crore and Specialty Chemicals plant at Lalru Rs. 127 crore against Rs. 495 and Rs. 115 of last year respectively. The turnover of Pune unit was Rs. 37 crore against Rs. 30 crore of last year. The Profit before Tax was Rs. 22 crore against Rs. 29 crore of the last year. Agro Chemical plant gave 69% of the total revenue, whereas Specialty Chemicals, Lalru plant gave 22% of the total revenue.

As stated earlier, the Company has only one overseas subsidiary i.e. SD AgChem (Europe) NV, Belgium. Therefore, the Consolidated accounts have been prepared and presented by consolidating accounts of that subsidiary. The consolidated turnover of the Company was Rs. 563 crore during the year against Rs. 650 crore of last year. There is not much affect as the Subsidiary Company trades in the material supplied by the Company only. However, the registrations and presence of the subsidiary in Europe is helpful to the local buyers. The material to small entrepreneur is easily available through the subsidiary. As all bank loans have been paid by SD AgChem (Europe) NV, it has no bank liability as on date.

Other details of Financial Statements are:

i) Shareholders' Funds:

On Standalone basis, the shareholders' fund have risen to Rs. 114.50 crore as at 31st March, 2020 against Rs. 101.20 crore as at 31st March, 2019.

On Consolidated basis, the shareholders' fund risen to Rs. 97.75 crore as at 31st March, 2020 against Rs. 90.86 crore as at 31st March, 2019.

ii) Borrowings:

The Company has repaid Inter Corporate Deposits (ICD) of Rs. 22 crore during the year under review. The balance of ICD as on 31st March, 2020 stands at Rs. 67.85 crore.

During the year under review, the Company has also availed term loan of Rs. 15 crore and working capital limit of Rs. 20 crore from RBL Bank Ltd. This has helped the Company for running of operations. The support of customers for timely and less credit period has made the operations comfortable. The Company will continue to study various options for arranging long term funds for capex and repayment of ICD's.

iii) Other Financial Indicators:

Ratios	**2019-20**	**2018-19**	**%change**
Debtors Turnover (times)	10.00	12.44	-19.56%
Inventory Turnover (times)	3.87	5.37	-27.98%*
Interest Coverage Ratio	2.51	3.38	-25.69%*
Current Ratio	0.92	0.75	23.31%
Debt Equity Ratio	2.61	2.80	-6.66%
Operating Profit Margin (%)	7.95%	8.86%	-10.28%
Net Profit Margin (%)	2.78%	3.11%	-10.53%
Return on Net Worth	0.14	0.20	-31.13%*

* Due to reduced sales and less profit during the year is the main reason for material change in these ratios. The reasons of lesser sales / profitability has been discussed in detail in the Directors' Report.

4. HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS:

The employees strength of the Company as at 31st March, 2020 was 1089 against 971 as at 31st March, 2019. The Management humbly appreciates the dedication and sincerity of the employees of all level. Their participation and support to the Company and its Management is deeply acknowledged.

The employees take full benefit of various Employees Welfare Schemes implemented by the Company.

The approach of the Company remains to motivate employees to upgrade their knowledge through higher education, attending various training modules, seminar / talks to sharpen their skills.

5. ACCOUNTING TREATMENT:
Audited Financial Statements for the year ended 31st March, 2020 are in compliance with the Indian Accounting Standards (Ind-AS) prescribed under section 133 of the Companies Act, 2013.

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

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

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a business process committed to ethical standards and working with values, which all stakeholders can be proud of. In the long term it enhances the capacity of the organisation to generate more wealth. The Company has a robust corporate governance, to look after the long-term interest of every stakeholder. The key features of the Corporate Governance Policy are based on integrity, fairness, equity, transparency, accountability and commitment to values.

The Company maintains the highest standards of corporate governance, disclosure practices, professionalism, transparency and accountability in all its dealings. The Company believes that sustainable and long term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavour to achieve excellence in business.

The Management practices good Corporate Governance and the Board along with its Committees fulfil their fiduciary duties with balanced approach in the interest of all its stakeholders.

The Company is in compliance with the conditions of corporate governance as required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Code of Business Conduct & Ethics

The Company has adopted a Code of Conduct and Business Ethics for Directors and Senior Management of the Company, as required under Regulation 17(5)(a) of the Listing Regulations. The Company has received confirmations from the Directors and Senior Management regarding compliance with the Code for the year ended 31st March, 2020. A certificate from the Managing Director to this effect is attached to this Report.

The Code has been displayed on the Company's website http://www.punjabchemicals.com/wp-content/uploads/2018/07/CC-ETHICS.pdf.

Code of Conduct for Prevention of Insider Trading

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

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

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

2. THE COMPOSITION OF BOARD OF DIRECTORS

The Board of the Company is well balanced with experienced Directors from different fields.

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

There is an optimum combination of Executive and Non-Executive Directors, including independent Directors, which plays a crucial role to provide independent judgement on issues of strategy and performance.

The Board currently comprises of 8 (eight) Directors out of which 2 (two) Directors are Executive Directors, 2 (two) are Non-Executive and remaining 4 (four) are Independent Directors, including one Independent Woman Director. Smt. Aruna R. Bhinge is appointed as an Independent Woman Director of the Company w.e.f. 1st April, 2020 on fulfilment of criteria of independence subject to the approval of the shareholders of the Company in the ensuing Annual General Meeting.

Core skills/expertise/competencies of the Board members

Name of Director	**Category**	**Core skills / expertise / competencies**
Shri Mukesh Dahyabhai Patel	Chairman Independent/ Non-Executive	Graduate in Chemical Engineering, experience in finance and Corporate management for more than 45 years. He was associated with various industry bodies, such as India Chemical Manufacture Association, CHEMXCIL and Indian Association of Materials' Management.
Shri Shalil Shashikumar Shroff	Promoter Executive (Managing Director)	Management Diploma from University of Deopage, USA. He is associated with Company since 1992. Expertise in overall management and exploring new market for the products and getting liaison with new customers.
Capt. Surjit Singh Chopra (Retd.)	Non-Independent/ Non-Executive	Qualified in National Defence Academy (NDA), Khadakvasla and has rich experience of organization capabilities and inspires the management and other executives working in

		the Company. He has served in Indian Air Force for 15 years and Air India for 26 years. Competent in advising on various managerial and administrative matters.
Shri Vijay Dilbagh Rai	Independent Non-Executive	B. Tech from IIT, Kharagpur with courses in marketing and personnel management. Experience of more than 49 years in Industry out of which 28 years was with the Tata group in India and was the CEO of Rallis the then largest Agrochemicals Company in India for 12 years.
Smt. Aruna R. Bhinge (w.e.f. 1st April, 2020)	Independent Woman Non-Executive Director	Master of Management Studies from Narsee Monjee Institute of Management Studies, Master of Science from University of Bombay. She has more than 30 years of experience with leadership positions in business strategy, marketing, sales, projects & partnership in the healthcare and agri business sectors.
Shri Sheo Prasad Singh	Independent/ Non-Executive	He is M.Sc, C A I I B, PGDFRM, PGDFA. A veteran banker with more than 38 years of experience in Commercial Banking including, Treasury, Direct/Indirect Taxation, management of Superannuation Funds.
Shri Avtar Singh	Non-Independent/ Executive Director (Operations and Business Development)	B.Sc. from Panjab University, Chandigarh. He has overall experience of about 38 years in the manufacturing of Chemicals, Pharmaceuticals and Agrochemicals of the Company.
Shri Shivshankar Shripal Tiwari	Non-Independent / Non Executive	M.Sc. and Post graduate Diploma-Business Management. He is experienced in managing the chemical plants, production, manpower and domestic commercial market of chemicals.

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

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

The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

No Director is related to each other except Mr. Shalil Shroff and Capt S.S. Chopra (Retd), who are related to each other as Son in law and Father in law.

Memberships of other Boards

None of the Directors on the Company's Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on March 31, 2020. No Independent Director serves as Independent Director in more than seven listed companies or three listed companies in case he/ she is a Whole-time Director in any listed company. Furthermore, every Director informs the Company about the directorship / committee positions he / she occupies in other companies and notifies the changes as and when they take place. Independent Directors are expected not to serve on the boards of competing companies.

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

Criteria for Board Membership

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

Membership Term

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

Succession Policy

The Company believes that sound succession plans are important for creating a robust future of Company. Accordingly the Company has put in place succession plan for appointment to the Board and senior management. The Nomination and Remuneration Committee ensures orderly / structured succession in appointments to the Board and senior management. The Company strives to maintain an appropriate balance of skills, experience and continuity in the Board.

Board of Directors

The Composition and Category of Directors, their attendance at the Board Meetings and the last Annual General Meeting (AGM) held during the financial year 2019-2020 and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Public Limited Companies as on March 31, 2020 are as follows:

Name of the Director	Category	Attendance Particulars		No. of other Director-ships**	Membership of other Boards***	Committee Membership****		No. of shares held as on March 31,2020
		Board Meetings	Last AGM held on 13th August, 2019			Member	Chairman	
Shri Ghattu Ramanna Narayan (DIN:00020575)*	Chairman Emeritus	0	No	-	-	-	-	Nil
Shri Mukesh Dahyabhai Patel Chairman (DIN:00009605)	Independent / Non-Executive	7	Yes	2	i. Shilchar Technologies Limited - (Independent Director) ii. Banco Products (India) Ltd. – (Independent Director)	1	3	400
Shri Shalil Shashikumar Shroff Managing Director (DIN:00015621)	Promoter Executive	6	Yes	-	-	-	-	230581
Capt. Surjit Singh Chopra (Retd.) (DIN:00146490)	Non-Independent / Non-Executive	5	Yes	-	-	-	-	Nil
Shri Vijay Dilbagh Rai (DIN:00075837)	Independent Non-Executive	7	Yes	3	-	1	2	Nil

Smt. Aruna R. Bhinge# (DIN:07474950)	Woman Non Independent Director/ Non-Executive	6	No	2	i. Laurus Labs Limited - Independent Director)	1	-	Nil
Shri Sheo Prasad Singh (DIN:06493455)	Independent/ Non-Executive	7	Yes	-	-	-	-	Nil
Shri Avtar Singh Whole Time Director (DIN:00063569)	Non-Independent/ Executive	5	Yes	1	-	1	-	7011
Shri Shivshankar Shripal Tiwari (DIN:00019058)	Non-Independent/ Non Executive	6	Yes	-	-	-	-	11589

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

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

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

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

Smt. Aruna R. Bhinge is appointed as an Independent Woman Director w.e.f. 1st April, 2020 for a period of 5 years till 31st March, 2025.

Notes:

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

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

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

Board Independence

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

Independent Directors Role

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

Terms and conditions of appointment of Independent Directors

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

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

Familiarization Programme

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

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

The details of familiarization programmes are available on the website of the Company at https://www.punjabchemicals.com/wp-content/uploads/2020/04/Familiarization-Programme-2019-2020.pdf.

Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on March 5, 2020 as required under Schedule IV of the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations.

At the Meeting, the Independent Directors:

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

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

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

All the Independent Directors attended the said Meeting.

Confirmation from the Board

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

No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the Financial Year ended March 31st, 2020.

Appointment/ Re-appointment of Directors

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

Board Procedure

The internal guidelines for Board / Committee meetings facilitate the decision making process at the meetings of the Board/Committees in an informed and efficient manner. Board Meetings are governed by structured agenda.

All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary in consultation with the Senior Management prepares the detailed agenda for the meetings.

Agenda papers and Notes on Agenda are circulated to the Directors in advance, in the defined Agenda format. The material information is circulated along with Agenda papers for meaningful and focused discussion at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted.

In order to transact some urgent business, which may come up after circulation of agenda papers, the agenda and relevant papers of that item are placed before the Board by way of Table Agenda or Chairman's Agenda. This helps the proper deliberation on the matter.

Minimum 4 (four) Board meetings are required to be held every year. If required, additional Board meetings are also convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are also passed by way of circulation.

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

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

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

During the year under review, Board met seven times on May 10 2019, June 27 2019, August 12 2019, November 12 2019, January 24 2020, January 31 2020 and March 5 2020. The necessary quorum was present in all the meetings. The Board meets at least once in every quarter to review the Company's operations and financial performance. The maximum time gap between any two meetings is not more than 120 days.

The Act read with the relevant rules made thereunder, now facilitates the participation of a Director in Board/ Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings/ Items which are not permitted to be transacted through video conferencing. No Board Meeting was held through video conferencing or through any audio-visual mode during the year under review.

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

COMMITTEES OF THE BOARD

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

3. AUDIT COMMITTEE

Terms of Reference:

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

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommendation for appointment, remuneration and terms of appointment of the Auditors.

3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

4. Reviewing, with the management, the annual financial statements and Auditor's report thereon before submission to the Board for approval, with particular reference to:

a) Matters required to be included in the Director's Responsibility Statement to be included in the Directors' Report in terms of Section 134 (3) (C) of the Act;

b) Changes, if any, in accounting policies and practices and reasons for the same

c) Major accounting entries involving estimates based on the exercise of judgment by management;

d) Significant adjustments made in the financial statements arising out of audit findings;

e) Compliance with listing and other legal requirements relating to financial statements;

f) Disclosure of any related party transactions;

g) Modified opinion (s) in the draft audit report;

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (Public Issue, Rights Issue, Preferential Issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process.

8. Approval or any subsequent modification of transactions of the Company with related parties.

9. Scrutiny of Inter-Corporate loans and investments.

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

11. Evaluation of Internal Financial Controls and Risk Management Systems.

12. Reviewing, with the management, performance of the Statutory and Internal Auditors and the adequacy of the Internal Control Systems.

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with Internal Auditors of any significant findings and follow up there on.

15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.

16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.

18. To review the functioning of the Whistle Blower Mechanism of the Company and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.

20. To grant Omnibus approval for Related Party Transactions which are in the ordinary course of business and on an arms' length pricing basis and to review and approve such transactions subject to the approval of the Board.

21. Provide guidance to the Compliance Officer for setting forth policies and implementation of the revised Code of Conduct for Prevention of Insider Trading.

22. Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/ or other Committees of Directors.

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

Composition and attendance at the Meetings:
The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee comprises of four Non-Executive Directors, out of which three are Independent Directors including the Chairman who are well-versed with financial matters and corporate laws. The Audit Committee met five times during the financial year ended March 31 2020 on -
May 10 2019, August 12 2019, November 12 2019, January 31 2020 and March 5 2020.

The necessary quorum was present at all the meetings. The Chairman of the Audit Committee, Shri Vijay Dilbagh Rai was present at the last Annual General Meeting of the Company held on August 13, 2019. The maximum gap between any two (2) Audit Committee Meetings was less than 120 days.

The composition of the Committee and the details of meetings held and attended by the Directors during the financial year 2019-2020 are as under:

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

* Smt. Aruna R. Bhinge was appointed as an Independent Woman Director of the Company w.e.f. 1st April, 2020.

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

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

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

4. NOMINATION AND REMUNERATION COMMITTEE

Terms of reference:

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

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

2. Formulation of criteria for evaluation of Independent Directors and the Board.

3. Devising a policy on Board diversity.

4. Identifying qualified candidates for Directorship, who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Composition and Attendance at the meetings:

The Board has constituted a Nomination and Remuneration Committee with four Non-Executive Independent Directors. The Company has complied with the requirement of

Regulation 19 of Listing Regulation and Section 178 (1) of the Act with respect to the composition of the Nomination and Remuneration Committee. Shri Vijay Dilbagh Rai, Chairman of the Nomination and Remuneration Committee was present at the last AGM held on August 13, 2019.

The Committee met two times during the financial year ended March 31, 2020 on - May 10 2019, January 31 2020.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2019-2020:

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

* Smt. Aruna R. Bhinge was appointed as an Independent Woman Director of the Company w.e.f. 1st April, 2020.

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

The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board. The Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013, has been published on the Company website at http://www.punjabchemicals.com/wp-content/uploads/2018/07/Nomination-and-Remuneration-Policy.pdf.

Performance Evaluation and Criteria for Evaluation:

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

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

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

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

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

5. REMUNERATION OF DIRECTORS

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

Remuneration to the Managing Director/Whole Time Director

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

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

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

Remuneration to Non-Executive Directors

Non-Executive Directors are paid sitting fees of Rs. 15000/- for each meeting of the Board or its committees attended by them. They are also eligible for commission in case of sufficient & adequate Net Profit available. The commission payable to each Non-Executive Director is determined by the Board, based on Company's performance, prevailing norms and role and contributions of Board members as approved by the shareholders. The Company can pay remuneration not exceeding 1% of the net profit to Non-Executive Directors.

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

Details of Remuneration paid to Directors:

The Directors' remuneration and sitting fees paid in respect of the Financial Year 2019-2020 are given below:

Name of Director	Sitting fees for Board / Other Committees Meetings (Rs)	Salaries and other perquisites benefits (Rs)	Other Commission (Rs)	Total (Rs)
Ghattu Ramanna Narayan	Nil	Nil	Nil	Nil
Mukesh Dahyabhai Patel	3,15,000	Nil	7,00,000	10,15,000
Shalil Shashikumar Shroff Managing Director	Nil	1,86,64,749	20,00,000	2,06,64,749
Capt. Surjit Singh Chopra (Retd.)	90,000	Nil	1,50,000	2,40,000
Vijay Dilbagh Rai	2,85,000	Nil	7,00,000	9,85,000
Aruna R Bhinge	2,10,000	Nil	1,50,000	3,60,000
Sheo Prasad Singh	2,25,000	Nil	1,50,000	3,75,000
Shivshankar Shripal	1,05,000	Nil	1,50,000	2,55,000

Tiwari				
Avtar Singh, Whole Time Director	Nil	1,40,72,216	10,00,000	1,50,72,216
TOTAL	**12,30,000**	**3,27,36,965**	**50,00,000**	**3,89,66,965**

* Commission paid to the Directors other than Whole Time Directors was for the financial year 2018-19 paid in the financial year ending 31st March, 2020. The Commission to Whole Time Directors was also for the financial year 2018-19.

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

Service Contracts, Severance fees and notice period

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

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference:

The Stakeholders Relationship Committee ('SRC') looks into various aspects of interest of shareholders. The Committee ensures cordial investor relations, oversees the mechanism for redressal of investors' grievances and specifically looks into various aspects of interest of shareholders. The redressal of shareholders'/investors' complaints/ grievances pertains to share transfers/transmission, non-receipts of annual reports, non-receipt of declared dividend and other allied complaints. The Committee oversees performance of the Registrar and Share Transfer Agents of the Company relating to investor services and recommends measures for improvement.

The terms of reference of the SRC includes:

• Review statutory compliance relating to all shareholders.

• Consider and resolve the grievances of shareholders of the Company, including complaints related to transfer / transmission of securities, non receipt of annual report/declared dividends/notices/ balance sheet, issue of new/duplicate certificates, general Meetings, etc.

• Review measures taken for effective exercise of voting rights by shareholders

• Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund

• Oversee compliances in respect of transfer of shares to the Investor Education and Protection Fund, in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder, as applicable from time to time

• Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company

• Oversee and review all matters related to the transfer of securities of the Company

• Approve issue of duplicate certificates of the Company

• Review movements in shareholding and ownership structures of the Company

• Ensure setting of proper controls, review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agents and oversee performance of the Registrar and Share Transfer Agents

• Recommend measures for overall improvement of the quality of investor services.

Composition and Attendance at the meetings:

The Board of the Company has constituted a Stakeholders Relationship Committee, comprising of four Directors. The Chairman of the Committee is a Non-Executive Independent Director of the Company. During the financial year 2019-2020, four (4) meetings of the Committee were held on the following dates:
May 10 2019, August 12 2019, November 12 2019, January 31 2020.

The composition of the Committee and detail of meetings attended by the Directors during the financial year 2019-2020:

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

Name, designation and address of Compliance Officer

Punit K Abrol

Sr. V P (Finance) & Company Secretary

Punjab Chemicals and Crop Protection Limited

Registered Office:

Milestone 18, Ambala Kalka Road
Bhankharpur, Derabassi
Dist. S.A.S Nagar, Mohali-140201
Tel: 01762- 280086, 522250
Tel : + 91 22 6665 2700
Email: investorhelp@punjabchemicals.com

During the year, 2019-2020, no complaint was received from investors.

The Board of Directors of the Company have delegated the power to transfer the shares by any one of Shri Shalil Shashikumar Shroff, Managing Director or Shri Avtar Singh, Director (Operations & Business Development) or Shri Punit K Abrol, Sr. V P (Finance) & Company Secretary. During the year 2019-2020, all transactions viz. shares transfers, transmission, split/consolidation, duplicate share certificates, etc. were approved on a weekly basis by Shri Punit K. Abrol, Sr. V P (Finance) & Company Secretary.

7. OTHER COMMITTEES

a) RISK ASSESSMENT COMMITTEE

Regulation 21 of the Listing Regulations mandates top 500 listed companies based on the market capitalisation to constitute a Risk Assessment Committee. Although non-mandatory, your Company has constituted a Risk Assessment Committee of the Board.

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

Composition and attendance at the meeting

The Board of the Company has constituted a Risk Assessment Committee, comprising of four Directors. During the financial year under review, 1 (one) meeting of the Risk Assessment Committee was held on March 5, 2020.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2019-2020 are:

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

3.	Shri Avtar Singh	Executive / Non Independent	Member	1	1
4.	Shri Shivshankar Shripal Tiwari	Non-Executive/ Non Independent	Member	1	1

The Board was updated about the important points of Risk Assessment procedure & the recommendation to mitigate those risks.

b) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The terms of reference of this Committee includes:

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

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

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

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

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

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

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

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

Composition and Attendance at the meeting

The Board of the Company has constituted a Corporate Social Responsibility Committee, comprising of four Directors. During the financial year under review, 1 (one) meeting of the Corporate Social Responsibility Committee was held on May 10 2019.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2019-2020 are:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	**Attended**
1.	Shri Mukesh Dahyabhai Patel	Non- Executive / Independent	Chairman	1	1

2.	Shri Shalil Shashikumar Shroff	Executive /Non-Independent	Member	1	1
3.	Capt. Surjit Singh Chopra (Retd.)	Non-Executive / Non Independent	Member	1	1
4.	Smt. Aruna R. Bhinge*	Non- Executive /Non-Independent	Member	1	1

* Smt. Aruna R. Bhinge was appointed as an Independent Woman Director of the Company w.e.f. 1st April, 2020.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company at http://www.punjabchemicals.com/wp-content/uploads/2019/04/CSR-Policy.pdf. A Report giving details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities forms a part of the Board's Report.

8. GENERAL BODY MEETINGS

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

YEAR	LOCATION	DAY, DATE AND TIME	SPECIAL RESOLUTIONS
2016-17	PHD House, Sector-31, Chandigarh at 10.00 A.M	Thursday, September 14, 2017	There was no matter that required passing of Special Resolution.
2017-18	Hotel Paras Chandigarh Ambala Highway, Derabassi at 10.00 A.M	Thursday, September 20, 2018	There was no matter that required passing of Special Resolution.
2018-19	Hotel Blue Sapphire, Ambala Chandigarh Highway, Derabassi at 9.30 a.m.	Tuesday, August 13, 2019	1. To re-appoint Shri Mukesh Dahyabhai Patel (DIN: 00009605) as an Independent Director. 2. To re-appoint Shri Vijay Dilbagh Rai (DIN:00075837) as an Independent Director and continuation of his directorship after attaining the age of 75 years.

Postal Ballot:

During the year under review, no Special Resolution was passed by the members through Postal Ballot.

9. MEANS OF COMMUNICATION

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

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

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

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

10. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting:

Date, Time and Venue :	Friday, the 25th September, 2020 at 10:00 a.m. (IST) at Derabassi through Video Conference only as per the General Circular dated May 5, 2020 issued by the MCA.
Financial Year :	2019-2020
Date of Book Closure :	Friday, the 18th September, 2020 to Friday, the 25th September, 2020 (Both Days Inclusive)
Dividend payment date :	The Dividend, if declared at AGM, will be paid within stipulated time.

b) Listing on Stock Exchanges:

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

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

c) Stock Codes/Symbol (for shares)

BSE Limited (Code): 506618

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

De-mat ISIN Number in NSDL & CDSL: INE277B01014

d) Volume of Shares traded during F.Y. 2019-2020:

On BSE: 139434

On NSE: 797567

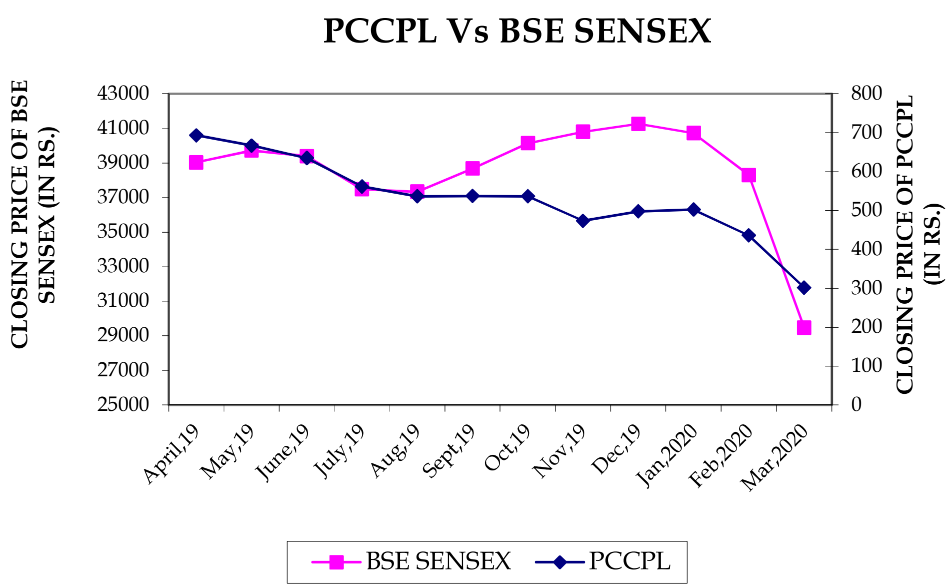
e) Market Price Data

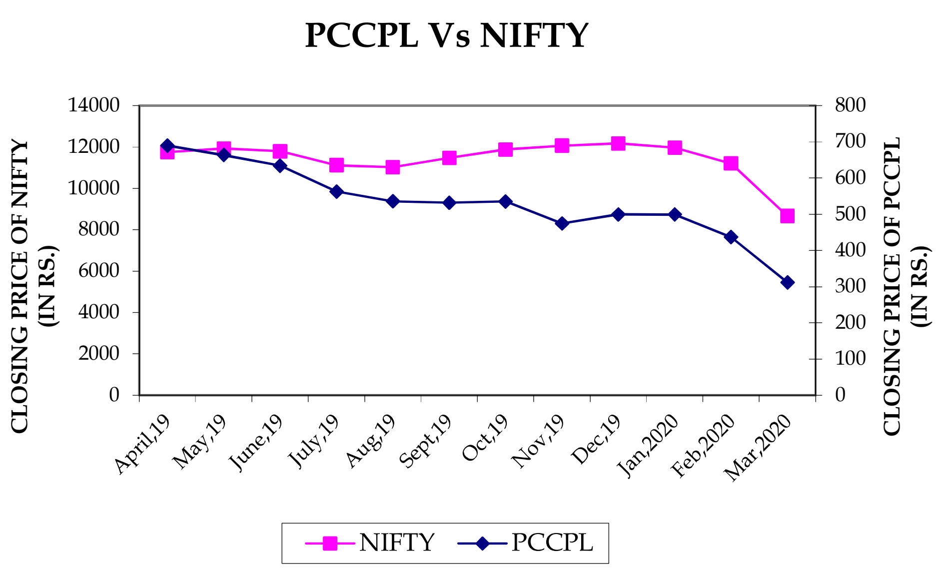
Market price data-monthly high/ low of BSE/ NSE depicting liquidity of the Company's Equity Shares on the said exchanges is given hereunder:

Month	BSE (in Rs.)		NSE (in Rs.)	
	High	Low	High	Low
April, 2019	764	680	765	677.10
May, 2019	719	655	711.50	651.95
June, 2019	668	610	678.85	607.50
July, 2019	664	560	667.20	560.95
August, 2019	588.70	460.15	586.50	456
September, 2019	575	507.05	577	505.45
October, 2019	562.90	503.95	564.95	502.60
November, 2019	549.95	473	550	473.75
December, 2019	526.50	456.90	525	457
January, 2020	572.50	488.70	573	481.15
February, 2020	524	432	505	430.05
March, 2020	464	234.40	453.70	237.95

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

The charts given hereunder plots the movement of the Company's Equity share prices on BSE versus BSE Sensex and Company's Equity share prices on NSE versus NSE NIFTY, respectively, for the year 2019-20:





g) Registrar and Share Transfer Agent (RTA)

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

h) Share Transfer Process

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

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

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

i) Secretarial Audit

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

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

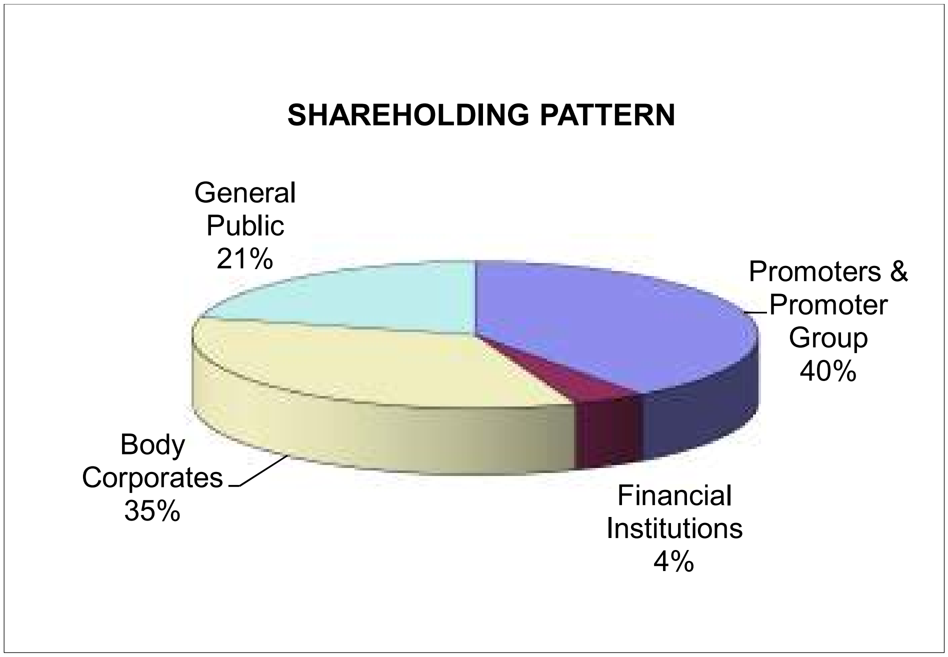
c) Mr. P. S. Dua of M/s. P. S. Dua & Associates, Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2019-2020. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under, its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Regulations. The Secretarial Audit Report forms part of the Board's Report.

j) Distribution of Shareholding as on March 31, 2020:

FROM-TO	NO. OF SHAREHOLDERS		NO. OF SHARES	
Number of Shares	**Number**	**%**	**Number**	**%**
1-500	13574	95.42	560969	4.57
501-1000	288	2.02	215655	1.76
1001-2000	148	1.04	209301	1.71
2001-3000	58	0.41	145162	1.18
3001-4000	36	0.25	126182	1.03
4001-5000	21	0.15	94108	0.77
5001-10000	42	0.30	291351	2.38
10001 & above	59	0.41	10619457	86.60
TOTAL	14226	100.00	12262185	100.00

k) Categories of Shareholders as on March 31, 2020

Sr. No.	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING (%)
A.	**Shareholding of Promoter and Promoter Group**		
1)	Indian	49,08,890	40.03
2)	Foreign	-	-
	Total Shareholding of Promoter and Promoter Group	**49,08,890**	**40.03**
B.	**Public Shareholding**		
1)	**Institution:**		
a)	Mutual Funds	786	0.01
b)	Financial Institutions/Banks	1,079	0.01
c)	Central Govt. / State Govt .Co.	1,22,027	0.99
d)	Foreign Portfolio Investors	3,89,185	3.17
	Sub total (B) (1)	**5,13,077**	**4.18**
2)	**Non-Institutions**		
a)	Private Corporate Bodies	42,40,680	34.58
b)	Directors & their Relatives	51,293	0.42
c)	Indian Public	21,26,235	17.34
d)	NRIs	57,631	0.47
e)	Trust	28,828	0.24
f)	HUF	2,26,733	1.85
g)	IEPF	1,07,953	0.88
h)	Clearing member	865	0.01
	Sub Total (B) (2)	**68,40,218**	**55.79**
	Total Public Shareholding (B)(1)+(B)(2)	**73,53,295**	**59.97**
	TOTAL	**1,22,62,185**	**100.00**



l) Dematerialisation of shares and liquidity

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

Percentage of shares held in:

Physical form	:	0.97%
Electronic form with NSDL	:	86.90%
Electronic form with CDSL	:	12.13%

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

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

None

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

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

The Company has not entered into any hedging activities and not dealt in commodity price or foreign exchange risk activities during the financial year 2019-2020.

o) Plant locations

Indian manufacturing locations:

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

Specialty and Other Chemicals Division : Villages: Kolimajra & Samalheri, P.O.: Lalru

Industrial Chemical Division : Site No. I & II, H.A. Ltd., Compound Pimpri, Pune

Overseas Subsidiaries:
SD Agchem (Europe) NV : Uitbreidingstraat 84/B3
2600, Berchem (Antwerp), Belgium

p) Address for Correspondence:
1. Investor Correspondence : For shares held in physical form
Alankit Assignment Ltd,
4E/2, Jhandewalan Extension, New Delhi-110055,
Tel: 011-42541234, 011-42541953
Fax: 011-23552001
E-mail: rta@alankit.com

For shares in De-mat form
To the Depository Participants

2. Any query on Annual Report/other matters relating to the Company
Registered Office & Works : Milestone-18, Ambala Kalka Road
Village & Post Office Bhankarpur, Derabassi, Distt. SAS Nagar (Mohali) - 140201
Tel: 01762-280086/280094, Fax : 01762-280070
E-mail: info@punjabchemicals.com

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

Ahmedabad Office : 205-206, Supath-II Complex
Ashram Road Near Vadaj Bus Terminus
Ahmedabad-380 013
Cell : 09898892994; Ph.: 079-27552583
Fax : 079-27561127
Email: kalendu@punjabchemicals.com

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

4. Exclusive e-mail ID for the grievance redressal mechanism:
investorhelp@punjabchemicals.com

5. Corporate website : www.punjabchemicals.com

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

11. OTHER DISCLOSURES

a) Related Party Disclosures:
All related party transactions that were entered into during the financial year 2019-2020 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant related party transactions made by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. Suitable disclosure as required by the Accounting Standards (IND AS 24) has been made in the Financial Statements. As required under SEBI (LODR), detailed related party disclosures as per Accounting Standards, please refer Note 44 of the Standalone and Consolidated Financial Statements.

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

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

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

The said policy is placed on the website of the Company at http://www.punjabchemicals.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-PCCPL.pdf and no personnel of the Company have been denied access to the Audit Committee.

d) IND-AS

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

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

Not Applicable

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

The Company has taken required certificate from M/s. P.S. Dua & Associates, Company Secretary in Practice forms part of this report, which is attached at page no. 118.

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

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

	Amount in Lakh
Statutory Audit	16
Limited Review	9
Others	8
TOTAL	**33**

h) Policy on Prevention of Sexual Harassment at Workplace

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

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

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

j) Mandatory Requirements

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

k) Non Mandatory requirements

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

i. Chairman of the Board:

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

ii. Shareholder Rights- Half yearly results:

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

iii. Qualified Opinion: Not applicable

iv. Separate Posts of Chairman and Chief Executive Officer:

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

v. Reporting of Internal Auditors:

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

12. MARKET CAPITALISATION AND PRICE-EARNINGS RATIO:

	As on March 31, 2020	**As on March 31, 2019**
a. Closing Price (BSE) (Rs.)	301.55	691.65
b. Market Capitalisation (Rs. in crore)	369.77	848.11
c. Price-Earnings Ratio	23.43	41.89

13. UNCLAIMED SHARES:

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

Sr. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the beginning of the year as on 01.04.2019.	235	11361
(ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	3	297
(iii)	Number of shareholders to whom shares were transferred from Suspense Account during the year.	3	297
(iv)	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year as on 31.03.2020.	232	11064

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

14. CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of the Listing Regulations, the Certificate duly signed by Shri Shalil Shashikumar Shroff, Managing Director and Dr (HC) Sriram Swaminathan Chief Financial Officer was placed before the Board of Directors along with the financial statements for the year ended March 31, 2020 at its meeting held on June 29 2020, forms part of this report.

15. GENERAL

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

TO
THE MEMBERS OF PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

We have examined the compliance of conditions of Corporate Governance by Punjab Chemicals and Crop Protection Limited ("the Company") for the year ended on March 31, 2020, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended March 31, 2020.

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

For P.S. Dua **& Associates**
Company Secretaries
Sd/-
P.S. Dua
FCS No. 4552
C.P. No. 3934
UDIN: F004552B000396823

Place : Ludhiana
Date : 29th June, 2020

DECLARATION

As provided under Clause D of schedule V pursuant to Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management laid down by the Company for the financial year ended March 31, 2020.

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

Mumbai
Date: 29th June, 2020

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

COMPLIANCE CERTIFICATE

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

We, Shalil Shashikumar Shroff, Managing Director and Dr (HC) Sriram Swaminathan, Chief Financial Officer do hereby certify that in respect of the annual accounts and cash flow statement for the financial year ending on March 31, 2020:

a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

d) We have indicated to the Auditors and the Audit Committee that:
i) There has not been any significant changes in internal control over financial reporting during the year under reference;
ii) There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
iii) There has not been any instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting during the year.

	Shalil Shroff	**Dr (HC) Sriram Swaminathan**
Date : 29th June, 2020	**Managing Director**	**Chief Financial Officer**
	(DIN No.: 00015621)	**Mumbai**
	Mumbai	

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

To,
THE MEMBERS OF PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in company
1.	Shri Mukesh Dahyabhai Patel	00009605	19-02-1985
2.	Shri Shalil Shashikumar Shroff	00015621	15-01-1998
3.	Capt. Surjit Singh Chopra (Retd.)	00146490	18-08-2004
4.	Shri Vijay Dilbagh Rai	00075837	28-02-1985
5.	Smt. Aruna Rajendra Bhinge	07474950	29-05-2018
6.	Shri Sheo Prasad Singh	06493455	28-05-2015
7.	Shri Avtar Singh	00063569	14-11-1996
8.	Shri Shivshankar Shripal Tiwari	00019058	06-04-2006

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

For P.S. Dua **& Associates**
Company Secretaries
Sd/-
P.S. Dua
FCS No. 4552 , C.P. No. 3934
Ludhiana
UDIN: F004552B000531463

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

Statutory Audit for the year ended 31 March 2020

STANDALONE FINANCIAL STATEMENTS

B S R & Co. LLP
Chartered Accountants

Unit No. A505 (A),
5th Floor, Plot No. 178-179A,
Industrial & Business Park, Phase- I
Chandigarh - 160002

Telephone: + 91 172 6644000
Fax: + 91 172 6644004

INDEPENDENT AUDITORS' REPORT

To the Members of Punjab Chemicals and Crop Protection Limited

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the standalone financial statements of Punjab Chemicals and Crop Protection Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Key Audit Matters

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

Revenue recognition	
The key audit matter	**How the matter was addressed in our audit**
The Company recognises revenue from the sales of products when control over goods is transferred to the customer based on the specific terms and conditions of the sale contracts entered into with respective customers. We have identified recognition of revenue as a key audit matter as – • revenue is a key performance indicator; and	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: - Assessing the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards; - Testing of design, implementation and operating effectiveness of the Company's general

• there is a presumed fraud risk of revenue being overstated through manipulation of the timing of transfer of control due to pressures to achieve performance targets as well as meeting external expectations.	Information Technology (‘IT’) controls and key IT application controls by involving our IT specialists; - Performing substantive including testing of recognition of revenue in the appropriate period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year. - Examining the underlying documents such as sales invoices/contracts and dispatch/shipping documents for the selected transactions. - Assessing manual journals posted in revenue ledger to identify any unusual items.
IT system migration	
The key audit matter	**How the matter was addressed in our audit**
The Company used Navision which was upgraded to SAP B1 HANA in July 2019. Migration is a major upgrade to the existing core enterprise application system resulting into a significant reliance of financial accounting and reporting systems on IT systems and IT controls to process significant transaction volumes, specifically with respect to revenue and raw material consumption. The transfer of financial systems mid-way through the financial year presents inherent risks including inaccurate or incomplete data transfer, inappropriate changes made to the application systems or programs that contain relevant automated controls (i.e., configurable settings, automated algorithms, automated calculations, and automated data extraction) and/or report logic and systems not adequately configured or updated to restrict system access to authorized users.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: - We assessed the complexity of the IT environment by engaging IT specialists and obtained understanding from the head of IT. - We evaluated the design and evaluation of the operating effectiveness of general IT controls over program development and changes, access to programs and data and IT operations by engaging IT specialists. - We evaluated the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company by engaging IT specialists. - We evaluated the operating effectiveness of controls relating to data transmission including the values of balances, the classification of transactions and the completeness of the data, migrated from Navision to SAP B1 HANA.

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

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

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

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

5. Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

7. Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

e) On the basis of the written representations received from the directors as on 31 March 2020, 1 April 2020, 7 May 2020 and 18 June 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

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

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 43 to the standalone financial statements;

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

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

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to director is in excess of the limit laid down under Section 197 of the Act. Accordingly, the Company has taken shareholder's approval by way of special resolution for such payment. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 20507857AAAAAV4379

Place: Chandigarh
Date: 29 June 2020

Annexure A referred to in paragraph 7(i) of the Independent Auditors' Report to the Members of Punjab Chemicals and Crop Protection Limited for the year ended 31 March 2020, we report that:

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

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets, were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly adjusted in the books of account.

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

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

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

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

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

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

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

Also refer note 43 wherein it is explained that on account of the uncertainty with respect to the applicability of the Hon'ble Supreme Court judgement dated 28 February 2019 on provident fund matter, pending clarification from the department of provident fund, management has not recognized and deposited any additional provident fund amount with respect to period prior to 28 February 2019.

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

(Rs. in lakhs)

Name of statute	**Nature of Dues**	**Amount disputed # (Rs. In lakhs)**	**Amount deposited (Rs. in lakhs)**	**Period to which the amount relates**	**Forum where the dispute is pending**
Income Tax Act, 1961	Income tax	430	-	Assessment Year 2008-09 to 2009-2010	Dispute Resolution Panel
Income Tax Act, 1961	Income tax	56	53	Assessment Year 2007-2008, 2011-12 to 2015-2016	Commissioner of Income tax (Appeals)
Central Excise Act, 1944	Service tax	1	-	1999-2000	High Court
The Punjab Sales Tax Act, 2005	Sales tax	11	-	2004-2005	High Court
Central Excise Act, 1944	Service tax	10	1	2009-2010 to 2015-2016	SVLDRS Committee
Central Excise Act, 1944	Excise duty	4	1	2014-2015 and 2015-2016	SVLDRS Committee

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

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers or to any financial institutions since the Company has availed the moratorium extension announced by Reserve Bank of India starting from 1 March 2020. The Company did not have any loans or borrowings from government and did not have any outstanding debentures during the year.

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loans taken during the year have been applied for the purposes for which they were obtained. As informed to us, the Company has not raised any other moneys by way of initial public offer or further public offer (including debt instruments).

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

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

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

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

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

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

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

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

Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 20507857AAAAAV4379

Place: Chandigarh
Date: 29 June 2020

Annexure B to the Independent Auditors' report on the standalone financial statements of Punjab Chemicals and Crop Protection Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 7(i)(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Punjab Chemicals and Crop Protection Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 20507857AAAAAV4379

Place: Chandigarh
Date: 29 June 2020

Punjab Chemicals and Crop Protection Limited
Balance sheet as at 31 March 2020
(All amounts in Indian Rupees Lakhs except for share data)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	15,865	15,715
Right of use assets	4	667	-
Capital work-in-progress	3	1,428	582
Investment property	5	-	1,879
Other intangible assets	6	230	362
Intangible assets under development	6	68	87
Financial assets			
- Investments	7	118	127
- Trade receivables	8	-	-
- Loans	9	280	258
- Other financial assets	10	37	-
Deferred tax assets (net)	11	153	39
Income tax assets (net)	12	649	649
Other non-current assets	13	317	297
Total non-current assets		**19,812**	**19,995**
Current assets			
Inventories	14	8,648	8,160
Financial assets			
- Trade receivables	8	4,766	6,179
- Cash and cash equivalents	15	262	188
- Other bank balances	16	162	155
- Loans	9	2,186	1,544
- Other financial assets	10	3,987	1,096
Other current assets	17	1,256	1,110
Total current assets		**21,267**	**18,432**
Assets held for sale	18	**265**	**-**
Total assets		**41,344**	**38,427**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	1,226	1,226
Other equity	20	10,224	8,894
Total equity		**11,450**	**10,120**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	21	4,005	1,100
- Other financial liabilities	22	531	358
Provisions	23	2,324	2,207
Other non-current liabilities	24	28	54
Total non-current liabilities		**6,888**	**3,719**
Current liabilities			
Financial liabilities			
- Borrowings	21	4,805	7,950
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	25	386	45
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	25	8,491	11,191
- Other financial liabilities	22	6,644	4,045
Other current liabilities	26	764	551
Provisions	23	879	633
Current tax liabilities (net)	27	1,037	173
Total current liabilities		**23,006**	**24,588**
Total liabilities		**29,894**	**28,307**
Total equity and liabilities		**41,344**	**38,427**

Significant accounting policies	2
Notes to the standalone financial statements	3-48

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

As per our report of even date attached

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

Gaurav Mahajan
Partner
Membership No. : 507857

Place: Chandigarh
Date: 29 June 2020

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

Mukesh D Patel
Chairman
DIN: 00009605
Place: Baroda

Shalil Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Avtar Singh
Director (Operations & Business Development)
DIN: 00063569
Place: Derabassi

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi
Date: 29 June 2020

Dr (HC) Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

Punjab Chemicals and Crop Protection Limited
Statement of Profit and Loss for year ended 31 March 2020
(All amounts in Indian Rupees Lakhs except for share data)

Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	28	54,750	64,037
Other income	29	1,924	1,036
Total income		**56,674**	**65,073**
EXPENSES			
Cost of materials consumed	30	31,993	39,742
Purchases of stock-in-trade	31	445	583
Changes in inventories of finished goods, stock-in- trade and work-in progress	32	77	(412)
Employee benefits expense	33	6,870	6,353
Finance costs	34	1,794	1,706
Depreciation and amortization expense	35	1,535	1,860
Other expenses	36	11,249	11,182
Total expenses		**53,963**	**61,014**
Profit before tax and exceptional item		**2,711**	**4,059**
Exceptional items			
- (Charges incurred) on one time settlement of borrowings	37	**-**	**(838)**
- Loss on fire (net of insurance claim)		**-**	**-**
Profit before income tax		**2,711**	**3,221**
Income tax expense	38		
Current tax		1,113	542
Adjustment of tax relating to earlier periods		125	38
Deferred tax		(105)	616
Total income tax expense		**1,133**	**1,196**
Profit for the year		**1,578**	**2,025**
Other comprehensive income/ (expense)			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		(26)	(169)
- Equity investments through other comprehensive income- net change in fair value		(9)	(12)
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		7	59
- Equity investments through other comprehensive income- net change in fair value		2	4
Other comprehensive (expense) for the year (net of income tax)		**(26)**	**(118)**
Total comprehensive income for the year		**1,552**	**1,907**
Earnings per equity share [nominal value of Rs. 10 (previous year Rs. 10)]	39		
Basic (Rs.)		12.87	16.51
Diluted (Rs.)		12.87	16.51
Significant accounting policies	2		
Notes to the standalone financial statements	3-48		

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

As per our report of even date attached

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

Gaurav Mahajan
Partner
Membership No. : 507857

Place: Chandigarh
Date: 29 June 2020

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

Mukesh D Patel
Chairman
DIN: 00009605
Place: Baroda

Shalil Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Avtar Singh
Director (Operations & Business Development)
DIN: 00063569
Place: Derabassi

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi
Date: 29 June 2020

Dr (HC) Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

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

a. Equity share capital:

	Note	
Balance as at 1 April 2018	19	**1,226**
Changes in equity share capital during the year		-
Balance as at 31 March 2019	19	**1,226**
Changes in equity share capital during the year		-
Balance as at 31 March 2020		**1,226**

b. Other Equity :

	Reserves and surplus						Other comprehensive income	Total
	Capital reserve	Securities premium	Capital redemption reserve	Capital reduction reserve	Amalgamation reserve	Retained earnings	Equity instruments through other comprehensive income	
Balance as at 1 April 2018	**309**	**5,707**	**28**	**21**	**19**	**886**	**17**	**6,987**
Total comprehensive income for the year ended 31 March 2019								
- Profit for the year	-	-	-	-	-	2,025	-	2,025
- Other comprehensive (expense) (net of tax)	-	-	-	-	-	(110)	(8)	(118)
Total comprehensive income for the year	-	-	-	-	-	1,915	(8)	1,907
Balance as at 31 March 2019	**309**	**5,707**	**28**	**21**	**19**	**2,801**	**9**	**8,894**
Total comprehensive income for the year ended 31 March 2020								
- Profit for the year	-	-	-	-	-	1,578	-	1,578
- Dividend	-	-	-	-	-	(184)	-	(184)
- Corporate dividend tax	-	-	-	-	-	(38)	-	(38)
- Other comprehensive (expense) (net of tax)	-	-	-	-	-	(19)	(7)	(26)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,337**	**(7)**	**1,330**
Balance as at 31 March 2020	**309**	**5,707**	**28**	**21**	**19**	**4,138**	**2**	**10,224**

Note : Refer to note 20 for nature and purpose of other equity

Significant accounting policies	2
Notes to the standalone financial statements	3-48

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

As per our report of even date attached

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

Gaurav Mahajan
Partner
Membership No. : 507857

Place: Chandigarh
Date: 29 June 2020

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

Mukesh D Patel
Chairman
DIN: 00009605
Place: Baroda

Shalil Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Avtar Singh
Director (Operations & Business Development)
DIN: 00063569
Place: Derabassi

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi
Date: 29 June 2020

Dr (HC) Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

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

	Year ended 31 March 2020	Year ended 31 March 2019
A. Cash flow from operating activities		
Profit before tax	**2,711**	**3,221**
Adjustments for:		
Depreciation and amortization expense	1,535	1,860
Liability no longer required written back	(39)	-
Reversal of impairment loss on doubtful advances	(619)	(436)
Interest income	(39)	(39)
Amortization of government grants	(2)	(2)
Finance cost	1,794	1,706
Charges incurred on one time settlement of borrowings	-	838
Unrealized foreign exchange (gain) / loss (net)	(173)	104
Advances written off	6	-
Property, plant and equipment written off	15	53
Investment property written off	227	-
(Gain) / loss on sale of property, plant and equipment (net)	(6)	17
(Gain) on sale of investment property	(785)	-
Expected credit loss on trade receivable	128	43
Rental income	(310)	(458)
Operating cash flow before working capital changes	**4,443**	**6,907**
Changes in working capital:		
Decrease / (increase) in trade receivables	1,445	(2,229)
(Increase) in inventories	(585)	(1,460)
(Increase) / decrease in other current and non-current assets	(147)	1,063
(Increase) in current and non-current other financial assets	(534)	(98)
Decrease in current and non-current loans	97	1,278
(Decrease) / Increase in trade payables and other liabilities	(2,300)	576
Increase in other current financial liabilities	919	1,060
Increase in long-term and short-term provisions	337	386
Cash generated from operating activities	**3,675**	**7,483**
Income tax paid (net)	(430)	(537)
Net cash generated from operating activities (A)	**3,245**	**6,946**
B. Cash flow from investing activities		
Acquisition of property, plant and equipment (including capital advances)	(2,662)	(2,723)
Proceeds from sale of property, plant and equipment	101	104
Proceeds from sale of investment property	519	-
Taxes paid on sale of investment property	(23)	-
Proceeds from insurance claim	430	-
Proceeds from sale of investment in shares	-	4
Movement in other bank balances	7	10
(Increase) in deposits with original maturity of more than 12 months	(37)	
Interest received	3	59
Rental income	310	458
Net cash flows (used in) investing activities (B)	**(1,352)**	**(2,088)**
C. Cash flow from financing activities		
Proceeds from non-current borrowings	1,588	1,175
Repayments of non-current borrowings	(109)	(6,538)
Payment of lease liabilities	(164)	-
Repayment / proceeds of current borrowings (net)	(1,245)	7,350
One time settlement cost paid on borrowings paid to banks	-	(838)
Payment of dividend (including corporate dividend tax)	(222)	-
Finance cost paid	(1,702)	(1,513)
Net cash flows (used in) financing activities (C)	**(1,854)**	**(364)**
Net increase in cash and cash equivalents (A+B+C)	**39**	**4,494**
Cash and cash equivalents at the beginning of the year	**73**	**(4,421)**
Cash and cash equivalents at the end of the year	**112**	**73**

Notes :

1. Cash and cash equivalents include :

Balances with banks		
- In current accounts	94	164
- Deposits with original maturity of less than three months	154	21
Cash on hand	14	3
Book overdraft	(150)	(115)
	112	**73**

2. The above cash flow statement has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows". Also, refer to note 2(r).
3. Refer note 21 for reconciliation of movements of liabilities to cash flows arising from financing activities.
4. During the year, the Company paid in cash Rs. 7 (previous year: Rs. Nil) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 36(b)).

Significant accounting policies	2
Notes to the standalone financial statements	3-48

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

As per our report of even date attached

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

Gaurav Mahajan
Partner

Place: Chandigarh
Date: 29 June 2020

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

Mukesh D Patel
Chairman
DIN: 00009605
Place: Baroda

Shalil Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Avtar Singh
Director (Operations & Business Development)
DIN: 00063569
Place: Derabassi

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi
Date: 29 June 2020

Dr (HC) Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

Note 1. Corporate Information

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

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

Note 2. Significant accounting policies

(a) Basis of preparation

(i) Statement of compliance

These standalone financial statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013, ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

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

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

b. The Company had opted to carry the assessment whether a contract or arrangement contains a lease on the basis of and circumstances existing at the date of transition except where the effect is not expected to be material. In accordance with Ind AS 17, this assessment should be carried out (at the inception of the contract or arrangement).

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

The standalone financial statements for the year ended 31 March 2020 were approved for issue by the Company's Board of Directors on 29 June 2020.

(ii) Changes in Significant Accounting Policies

The Company has initially applied Ind AS 116 from l April 2019. A number of other new standards and amendments are also effective from l April 2019 but they do not have a material effect on the Company's financial statements.

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

The Company applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. Accordingly, the comparative information presented for the previous year ended 31 March 2019 is not restated – i.e. it is presented, as previously reported, under Ind AS 17. The details of the changes in accounting policies are disclosed in note 2 (d). Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

(iii) Functional and presentation currency

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

(iv) Basis of measurement

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

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

(v) Use of estimates and judgments

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

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

- Note 2(a)(vi) and 40(a) - Fair value measurement
- Note 2(c) and 3 – Assessment of useful life and residual value of Property, plant and equipment
- Note 2(d) and 4 – Lease Classification and assessment of lease term, useful life of right-to-use asset, discount rate
- Note 2(e) and 5 – Assessment of useful life of Investment property
- Note 2(f) and 6 – Assessment of useful life of Intangible assets
- Note 2(j) – Revenue from contract with customers and related accruals
- Note 2(n), 2(o), 23 and 43 – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2(m), 11 and 38 – Recognition and estimation of tax expense including deferred tax; recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used, future recoverability been probable;
- Note 2(l) and 42 – Measurement of defined benefit obligations: key actuarial assumptions
- Note 2(i) – Impairment of financial assets; impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 2(h) – Valuation of inventories

(vi) Measurement of fair values

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

Significant valuation issues are reported to the Company's board of directors.

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

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

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in the note 40(a).

(b) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVOCI

A ‘debt instrument’ is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Investments in subsidiaries

Equity investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting

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

(c) Property, plant and equipment ('PPE')

Recognition and measurement

Items of PPE are stated at cost, which includes capitalized finance costs, less accumulated depreciation and or accumulated impairment loss, if any.

Cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes after deducting any trade discounts and rebates and any directly attributable cost of bringing the asset to its working condition for its intended use.

The cost of a self-constructed item of PPE comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

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

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with the notification dated 29 August 2014 of the Ministry of Corporate Affairs except for certain classes of PPE which are depreciated based on the internal technical assessment of the management. The estimated useful lives of items of PPE for the current and comparative periods are as follows:

Particulars	**Useful life as per Schedule II**	**Management estimate of useful life**
Building - Factory	30 Years	5 - 28 Years
Building - Office	60 Years	5 - 50 Years
Plant and equipment	3 - 15 Years	5 - 20 Years
Electrical installations	10 Years	20 Years
Vehicles	8 Years	8 Years
Furniture and fittings	10 Years	10 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Derecognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

(d) Leases

The Company has initially applied Ind AS 116 from 1 April 2019

Accounting for leases under Ind AS 116 (applicable after 1 April 2019)

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases in which the Company is a lessee

The Company's lease asset classes primarily consist of leases for buildings and leasehold land. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered on or after 1 April 2019.

The Company elected to use the following practical expedients on initial application:

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

The Company recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Company recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

Leases in which the Company is a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

Accounting for leases under Ind AS 17 (applicable before 1 April 2019)

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. If it is a lease arrangement, it is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Leases in which the Company is a lessee

<u>Finance leases</u>

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Leases in which the Company is a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in Plant, Property and Equipment. Lease income is treated as revenue and the same is credited to the statement of profit and loss on straight line basis. Costs including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage etc. are recognized immediately in the statement of profit and loss.

(e) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the Company depreciates investment property on a straight-line basis using the best estimate of the period over which investment property is expected to be used. The useful life estimate is different from the indicative useful life mentioned in Part C of Schedule II to the Act.

The estimated useful lives of items of investment property for the current and comparative periods are as follows:

Particulars	Useful life as per Schedule II	Management estimate of useful life
Building - Factory	30 Years	5 - 28 Years
Plant and equipment	3 - 15 Years	5 - 20 Years

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

(f) Other Intangible assets

Internally generated intangible assets

Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.

- Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Acquired Intangible

Intangible assets that are acquired (including implementation of software system) are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Advances paid towards acquisition of intangible assets outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in Statement of Profit and Loss.

The estimated useful lives are as follows:

- Computer software	3 Years
- Product registrations (including task charges, task force studies and other related expenses)	10 Years
- Technical know-how	5 Years

Derecognition

Intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

(g) Non-current assets held for sale

Non-current assets, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment, and investment property and intangible assets are no longer amortised or depreciated.

(h) Inventories

Inventories are valued at lower of cost or net realisable value. The methods of determining cost of various categories of inventories are as follows:

Raw materials (except goods in transit)	Weighted average method
Finished goods	Weighted average method
Packing material	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

(i) Impairment

Impairment of financial assets

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is ‘credit-impaired’ when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:
- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g head office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Revenue from contract with customers

Under Ind AS 115, the company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by geography.

<u>Use of significant judgements in revenue recognition:</u>

a) The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

e) Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

f) Contract fulfilment costs are generally expensed as incurred except for certain expenses which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Sale of services

The Company offers services in fixed term contracts and short-term arrangement. Revenue from service is recognized when obligation is performed or services are rendered.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except where the rentals are structured to increase in line with expected general inflation.

Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Export incentives

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Insurance and Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(k) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(l) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme (‘ESI’) to Government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Certain employees of the Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. The Company makes contributions to Life Insurance Corporation of India (LIC). Contribution made by the Company to the plan during the year is charged to Statement of Profit and Loss.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India (‘LIC’) for certain employees. The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company’s net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Other long-term employee benefits

Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an actuarial valuation performed annually by a qualified actuary using the projected unit cost credit method.

Termination benefits

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(m) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions or make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability as per the provisions of Income-tax Act,1961.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets, recognized or unrecognized, are reviewed at each reporting date and recognised / reduced to the extent that it has become probable / no longer probable respectively that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

Minimum Alternative tax

Minimum Alternative tax ('MAT') under the provisions of Income-tax Act,1961 is recognised as current tax in profit or loss. The credit available under the Act in respect of MAT paid is adjusted from deferred tax liability only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised adjusted from deferred tax liability is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(n) Provisions (other than for employee benefits)

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(o) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

(p) Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

(q) Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

(r) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(s) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(t) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

(u) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(v) Borrowing costs

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

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

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

(x) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

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

Note 3: Property, plant and equipment and capital work-in-progress

Gross carrying amount

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total	Capital work-in-progress
Balance as at 1 April 2018	5,395	3	1,827	8,302	134	810	147	16,618	244
Additions	-	-	309	1,449	50	215	136	2,159	1,856
Disposals	-	-	2	83	1	39	3	128	1,518 #
Balance as at 31 March 2019	**5,395**	**3**	**2,134**	**9,668**	**183**	**986**	**280**	**18,649**	**582**
Balance as at 1 April 2019	5,395	3	2,134	9,668	183	986	280	18,649	582
Reclassified on account of adoption of Ind AS 116 (refer note 4)	-	3	-	-	-	-	29	32	-
Adjusted balance as at 1 April 2019	**5,395**	**-**	**2,134**	**9,668**	**183**	**986**	**251**	**18,617**	**582**
Additions	-	-	243	1,433	27	61	87	1,851	3,210
Reclassified from investment property (refer note 5)	-	-	13	191	-	-	-	204	-
Disposals /other adjustments (refer note e below)	-	-	89	536	-	20	-	645	2,364 #
Assets classified as held for sale (refer note 18)	-	-	416	-	-	-	-	416	-
Balance as at 31 March 2020	**5,395**	**-**	**1,885**	**10,756**	**210**	**1,027**	**338**	**19,611**	**1,428**

Accumulated depreciation

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total	Capital work-in-progress
Balance as at 1 April 2018	-	-	336	1,336	39	140	50	1,901	-
Depreciation for the year	-	-	142	766	18	116	37	1,079	-
Disposals	-	-	2	26	-	15	3	46	-
Balance as at 31 March 2019	**-**	**-**	**476**	**2,076**	**57**	**241**	**84**	**2,934**	**-**
Balance as at 1 April 2019	-	-	476	2,076	57	241	84	2,934	-
Reclassified on account of adoption of Ind AS 116 (refer note 4)	-	-	-	-	-	-	6	6	-
Adjusted balance as at 1 April 2019	**-**	**-**	**476**	**2,076**	**57**	**241**	**78**	**2,928**	**-**
Depreciation for the year	-	-	123	793	28	118	47	1,109	-
Reclassified from investment property (refer note 5)	-	-	11	131	-	-	-	142	-
Disposals /other adjustments (refer note e below)	-	-	18	254	-	9	-	281	-
Assets classified as held for sale (refer note 18)	-	-	151	-	-	-	-	151	-
Balance as at 31 March 2020	**-**	**-**	**441**	**2,746**	**85**	**350**	**125**	**3,747**	**-**

Carrying amounts (net)

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total	Capital work-in-progress
As at 31 March 2019	**5,395**	**3**	**1,658**	**7,592**	**126**	**745**	**196**	**15,715**	**582**
As at 31 March 2020	**5,395**	**-**	**1,444**	**8,010**	**125**	**677**	**213**	**15,865**	**1,428**

Notes:

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

b. Plant and equipment includes Rs. 21 (previous year: Rs. 98) of capitalization towards research and development.

c. Refer note 21 for information on property, plant and equipment pledged as security by the Company during the previous year.

d. Refer note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

e. Includes net carrying amount of Rs. 298 (previous year: Rs. Nil) pertaining to loss of property, plant and equipment and Rs. 518 (previous year: Rs. Nil) pertaining to loss of capital work-in-progress due to fire incident at one section of the Agro Chemicals Division of the Company (also refer note 37).

f. The Company has capitalized the following expenses of revenue nature to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	82	21
Store consumption	570	383
Power and fuel	32	3
Finance costs	68	24
	752	431

g. Net carrying amount of furniture and fixtures held under finance lease arrangements are as follows:

	As at 31 March 2019
Gross carrying amount	29
Accumulated depreciation	1
Carrying amount (net)	28

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

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

Note 4: Right of use asset

	Leasehold Land	Building	Furniture and fixtures	Total
Balance as at 1 April 2019	-	191	-	191
Reclassified on account of adoption of Ind AS 116 (refer note 3)	3	-	29	32
Additions	-	590	-	590
Deletions	-	-	-	-
Depreciation for the year	-	140	6	146
Balance as at 31 March 2020	**3**	**641**	**23**	**667**

Notes:

a. The Company has adopted Ind AS 116 effective 1 April 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (i.e 1 April 2019). Accordingly, previous period information has not been restated.

This has resulted in recognising a right-of-use asset of Rs. 191 and a corresponding lease liability of Rs. 191. Further, amounts representing leasehold land and furniture and fixtures, classified as finance lease as per Ind AS 17, have been reclassified from property, plant and equipment to Right-of-Use Assets.

In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share.

b. The Company also leases certain office premises with contract terms of one year. These leases are short-term in nature and the Company has elected not to recognise right-of-use assets and lease liabilities for these leases. The Company incurred Rs. 18 during the current year towards expenses relating to short-term leases for which the recognition exemption has been applied.

c. The total cash outflow for leases, including cash outflow for short term and low value leases, is Rs. 182 during the current year.

Note 5: Investment property

Gross carrying amount

	Leasehold Land	Building	Plant and equipment	Total
Balance as at 1 April 2018	522	1,178	1,080	2,780
Disposals	-	-	492	492
Balance as at 31 March 2019	**522**	**1,178**	**588**	**2,288**
Balance as at 1 April 2019	522	1,178	588	2,288
Reclassified to property, plant and equipment (refer note no. 3)	-	13	191	204
Disposals / other adjustments	522	1,165	397	2,084
Balance as at 31 March 2020	**-**	**-**	**-**	**-**

Accumulated depreciation

	Leasehold Land	Building	Plant and equipment	Total
Balance as at 1 April 2018	18	25	295	338
Depreciation for the year	9	36	456 #	501
Disposals	-	-	430	430
Balance as at 31 March 2019	**27**	**61**	**321**	**409**
Balance as at 1 April 2019	27	61	321	409
Depreciation for the year	9	32	33	74
Reclassified to property, plant and equipment (refer note no. 3)	-	11	131	142
Disposals / other adjustments	36	82	223	341
Balance as at 31 March 2020	**-**	**-**	**-**	**-**

Carrying amount (net)

	Leasehold Land	Building	Plant and equipment	Total
As at 31 March 2019	**495**	**1,117**	**267**	**1,879**
As at 31 March 2020	**-**	**-**	**-**	**-**

Fair value

	Total
As at 31 March 2019	**4,347**
As at 31 March 2020	**-**

Fair value hierarchy

The fair value of investment property has been determined by external expert, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for the investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique

The Company follows discounted cash flows technique. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Investment property comprises of a leasehold land, building and plant and equipment that was leased to a third party. The lease contained an initial non-cancellable period of 3 years with an option of negotiating subsequent renewals with the lessee. No contingent rents are charged. Refer note 29 for further information.

During the year, after approval of the Board of Directors, the Company transferred and assigned the leasehold rights in respect of the Industrial Plots together with the Factory building situated at E-51/1, E-51/2 and 52 MIDC, Tarapur, Boisar, Maharashtra to the lessee at the expiry of the lease term. Certain plant and equipment has been transferred from investment property to property, plant and equipment (refer note 3), since the plant and equipment was no longer being leased by the Company and as such it was decided that the plant and equipment would be used in the Agro Division of the Company. Remaining plant and equipment has been written off (refer note 36) since the assets were no longer considered to be in usable condition.

Includes Rs. 343 towards accelerated depreciation of assets no longer considered usable basis physical verification performed during the previous year .

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

Note 6: Other intangible assets and intangible assets under development

Gross carrying amount

	Computer Software	Product registrations	Technical know how	Total	Intangible assets under development
Balance as at 1 April 2018	3	653	320	976	172
Additions - internally generated	73	58	-	131	26
Additions - acquired	-	-	-	-	-
Disposals	-	-	-	-	111 #
Balance as at 31 March 2019	**76**	**711**	**320**	**1,107**	**87**
Balance as at 1 April 2019	76	711	320	1,107	87
Additions - internally generated	-		-	-	31
Additions - acquired	105	-	-	105	50
Disposals	-	-	-	-	- #
Balance as at 31 March 2020	**181**	**711**	**320**	**1,212**	**68**

Accumulated amortization

	Computer Software	Product registrations	Technical know how	Total	Intangible assets under development
Balance as at 1 April 2018	1	340	124	465	-
Amortization for the year	44	170	66	280	-
Disposals	-	-	-	-	-
Balance as at 31 March 2019	**45**	**510**	**190**	**745**	**-**
Balance as at 1 April 2019	**45**	**510**	**190**	745	**-**
Amortization for the year	43	127	67	237	-
Disposals	-	-	-	-	-
Balance as at 31 March 2020	**88**	**637**	**257**	**982**	**-**

Carrying amounts (net)

	Computer Software	Product registrations	Technical know how	Total	Intangible assets under development
As at 31 March 2019	**31**	**201**	**130**	**362**	**87**
As at 31 March 2020	**93**	**74**	**63**	**230**	**68**

Note:

a. As at 31 March 2020, the estimated remaining amortization period for intangible assets are as follows:

	As at 31 March 2020
Computer Software	0.25 to 4 years
Product registrations	0.53 to 8 years
Technical know how	0.08 to 3 years

Represents intangible assets under development capitalized during current year and previous year.

Note 7: Investments	**As at 31 March 2020**	**As at 31 March 2019**
Non- current investments		
Investments in equity shares		
Quoted equity shares		
Equity shares (at fair value through other comprehensive income)		
- Bank of Baroda (persuant to Scheme of Amalgamation Dena Bank Limited merged with Bank of Baroda effective 1 April 2019 187 (31 March 2019: 1,700) equity shares of Rs. 10 each fully paid-up	0.10	0.19
- Canara Bank (persuant to Scheme of Amalgamation Syndicate Bank Limited merged with Canara bank effective 5 March 2020 63 (31 March 2019: 400) equity shares of INR 10 each fully paid-up	0.06	0.18
	0.16	**0.37**
Unquoted equity shares		
Subsidiary companies (at cost)		
- SD Agchem (Europe) N.V.# 16,612 (31 March 2019: 16,612) equity shares of Euro 615 each fully paid-up	2,595	3,551
Other Companies (fair value through other comprehensive income)		
- Nimbua Green Field (Punjab) Limited 84,375 (31 March 2019: 84,375) equity shares of INR 10 each fully paid-up	108	117
- Mohali Green Environment Private Limited 100,000 (31 March 2019: 100,000) equity shares of INR 10 each fully paid-up	10	10
	2,713	**3,678**
Impairment in value of investments		
Subsidiary Companies :		
- SD Agchem (Europe) N.V.# 16,612 (31 March 2019: 16,612) equity shares of Euro 615 each fully paid-up	2,595	3,551
	2,595	**3,551**
Total non-current investments	**118**	**127**
Aggregate book value of quoted investments	0.16	0.37
Aggregate market value of quoted investments	0.16	0.37
Aggregate value of unquoted investments	2,713	3,678
Aggregate amount of impairment in value of non-current investments	2,595	3,551

In respect of overdue export receivables from its wholly owned subsidiary i.e. S D Agchem (Europe) NV, the Company had received approval in earlier years from Reserve Bank of India (RBI) under Regulation 11 of Notification No. of FEMA 120/ RB -2004 and other regulatory authorities towards utilisation of said overdue export receivable into further investment. Accordingly, the overdue export trade receivable from S D Agchem (Europe) NV of Rs. 2,595 had been converted into investment in equity share capital whereby S D Agchem (Europe) NV issued additional 5789 equity shares at face value of Euro 615 / share.

Further, based on the Regulation 16A and 17 of Foreign Exchange Management (Transfer or Issue of any foreign securities) Regulation, 2004 and RBI/FED/2015-16 FED Master Direction No. 15/2015-16, the Company has written off Rs. 956 (previous year Rs. 956) which represents 25% of the origional investment of Rs. 3,825 and has correspondingly written back Rs. 956 (previous year Rs. 956) provision for diminution in the value of Investment resulting in Rs. Nil (previous year: Rs. Nil) impact in the statement of profit and loss account.

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

Note 8: Trade receivables	**As at 31 March 2020**		**As at 31 March 2019**	
(Unsecured, considered good unless otherwise stated)	**Non-current**	**Current**	**Non-current**	**Current**
Trade receivables	189	5,845	172	6,839
Trade receivables from related party (refer note 44)	-	42	-	351
Less: expected credit loss allowance	(189)	(1,121)	(172)	(1,011)
	-	**4,766**	**-**	**6,179**
Break-up of security details				
Trade receivable considered good - Secured	-	-	-	-
Trade receivable considered good - Unsecured	-	4,766	-	6,179
Trade receivable which have significant increase in credit risk	-	-	-	-
Trade receivable - credit impaired	189	1,121	172	1,011
Total	**189**	**5,887**	**172**	**7,190**
Less: expected credit loss allowance	(189)	(1,121)	(172)	(1,011)
Total trade receivables	**-**	**4,766**	**-**	**6,179**

Refer note 40(b) for information about credit risk and market risk of trade receivables.

Note 9: Loans	**As at 31 March 2020**		**As at 31 March 2019**	
(Unsecured, considered good unless otherwise stated)	**Non-current**	**Current**	**Non-current**	**Current**
Security deposit	280	25	258	27
Advances recoverable from related party (refer note 44)				
- considered good	-	2,015	-	1,413
- considered doubtful	-	-	-	603
Less: expected credit loss allowance	-	-	-	(603)
Advances recoverable from others				
- considered good	-	146	-	104
- considered doubtful	16	24	15	24
Less: expected credit loss allowance	(16)	(24)	(15)	(24)
	280	**2,186**	**258**	**1,544**
Break-up of security details				
Loan receivables considered good - Secured	-	-	-	-
Loan receivables considered good - Unsecured	280	2,186	258	1,544
Loan receivables which have significant increase in credit risk	-	-	-	-
Loan receivables - credit impaired	16	24	15	627
Total	**296**	**2,210**	**273**	**2,171**
Less: expected credit loss allowance	(16)	(24)	(15)	(627)
Total Loans	**280**	**2,186**	**258**	**1,544**

Refer note 40(b) for information about credit risk and market risk of loans.

Note 10: Other financial assets	**As at 31 March 2020**		**As at 31 March 2019**	
(Unsecured, considered good unless otherwise stated)	**Non-current**	**Current**	**Non-current**	**Current**
Deposits with remaining maturity of more than 12 months	37	-	-	-
Interest receivable	-	14	-	44
Export incentive recoverable	-	946	-	647
Insurance claim receivable (refer note 37)	-	607	-	2
Contract assets *	-	306	-	307
Cost of fulfilment of contracts **	-	319	-	92
Receivable towards sale of investment property	-	1,782	-	-
Other receivable	-	13	-	4
	37	**3,987**	**-**	**1,096**

* Refer note 28 for the changes in contract asset.
** Cost of fulfillment of contracts of Rs. Nil (previous year: Rs. Nil) has been amortised in the Statement of Profit and Loss.

Refer note 40(b) for information about credit risk and market risk of other financial assets.

Note 11: Deferred tax asset (net)	**As at 31 March 2020**	**As at 31 March 2019**
Deferred tax assets on account of:		
- Expenses allowable on payment basis	701	838
- Expected credit loss allowance	400	727
- Expenses allowed on deferred basis under income tax	14	44
- Minimum alternate tax credit entitlement	-	10
- Lease liabilities	8	-
Deferred tax asset (A)	**1,123**	**1,619**
Deferred tax liabilities on account of:		
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	970	1,580
Deferred tax liability (B)	**970**	**1,580**
Deferred tax asset (net) (A - B)	**153**	**39**

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

Movement in temporary differences:

2018-2019	As at 1 April 2018	Recognized in Statement of profit or loss	Adjusted with provision for tax and income tax	Recognized in other comprehensive income	As at 31 March 2019
- Expenses allowable on payment basis	1,270	(609)	114	63	838
- Expected credit loss allowance	882	(155)	-	-	727
- Expenses allowed on deferred basis under income tax	83	(39)	-	-	44
- Minimum alternate tax credit entitlement	147	-	(137)	-	10
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(1,715)	135	-	-	(1,580)
- Impact of fair value of corporate debt restructuring loan	(52)	52	-	-	-
	615	**(616)**	**(23)**	**63**	**39**

2019-2020	As at 1 April 2019	Recognized in Statement of profit or loss	Adjusted with provision for tax and income tax	Recognized in other comprehensive income	As at 31 March 2020
- Expenses allowable on payment basis	838	(146)	-	9	701
- Expected credit loss allowance	727	(327)	-	-	400
- Expenses allowed on deferred basis under income tax	44	(30)	-	-	14
- Minimum alternate tax credit entitlement	10	(10)	-	-	-
- Lease liabilities	-	8	-	-	8
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(1,580)	610	-	-	(970)
	39	**106**	**-**	**9**	**153**

Note 12: Income tax assets (net)	As at 31 March 2020	As at 31 March 2019
Advance income-tax and tax deducted at source (net of provision of Rs. 1,456 (31 March 2019: Rs. 744)	649	649
	649	**649**

Note 13: Other non-current assets *(Unsecured, considered good unless otherwise stated)*	As at 31 March 2020	As at 31 March 2019
Capital advances		
- to others	317	297
	317	**297**

Note 14: Inventories *(At lower of cost and net realizable value)*	Note	As at 31 March 2020	As at 31 March 2019
Raw materials	(a), (b)	4,108	3,782
Work-in-progress	(b)	2,934	1,412
Finished goods	(a)	926	2,606
Stock-in-trade		81	-
Stores and spares		488	260
Packing material		111	100
		8,648	**8,160**

Notes:

(a) Includes goods-in-transit:		
- raw materials	388	744
- finished goods	216	1,014

(b) The following amounts were charged to the Statement of Profit and Loss on account of damage due to fire incident at one section of the Agro Chemicals Division of the Company (also refer note 37):

- raw materials	29	-
- work-in-progress	68	-

Note 15: Cash and cash equivalents	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- Current accounts	94	164
- Fixed deposits with original maturity upto three months	154	21
Cash on hand	14	3
	262	**188**

Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of corporate affairs:
The disclosure regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

Note 16: Other bank balances	As at 31 March 2020	As at 31 March 2019
Deposit accounts with original maturity more than 3 months and upto 12 months from the reporting date #	160	155
Balance in unclaimed dividend accounts	2	-
	162	**155**

These deposits include restricted bank deposits Rs. 160 (31 March 2019: Rs. 155) pledged as margin money.

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

Note 17: Other current assets
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
Recoverable from/ balances with government authorities		
- considered good	849	893
- considered doubtful	169	186
Less : provision for doubtful balance recoverable from government authorities	(169)	(186)
Advances for supply of goods	252	117
Prepaid expenses	144	98
Others	12	2
	1,256	**1,110**

Note 18: Assets held for sale

	As at 31 March 2020	As at 31 March 2019
Assets held for sale	265	-
	265	**-**

In August 2019, management committed to a plan to sell its residential building premises located in Mumbai. Considering the intent of the Board, the premises have been presented as "Assets classified as held for sale" in accordance with Ind AS 105. Efforts to sell the premises have started and the Company expects to sell the premises within twelve months from its classification. These premises have been stated at their carrying value (being lower of fair value less cost to sell).

Note 19: Equity Share capital

(i) Details of share capital

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Authorized				
Equity shares of Rs. 10 each	19,800,000	1,980	19,800,000	1,980
9.8% redeemable cumulative preference shares of Rs. 100 each	20,000	20	20,000	20
	19,800,000	**1,980**	**19,800,000**	**1,980**
Issued Shares				
Equity shares of Rs. 10 each	12,277,218	1,228	12,277,218	1,228
	12,277,218	**1,228**	**12,277,218**	**1,228**
Subscribed and fully paid up				
Equity shares of Rs. 10 each fully paid up	12,262,185	1,226	12,262,185	1,226
	12,262,185	**1,226**	**12,262,185**	**1,226**

(ii) Reconciliation of number of shares outstanding at the beginning and end of the year

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Balance at the beginning and at the end of the year	12,262,185	1,226	12,262,185	1,226

(iii) Rights, preference and restriction attached to shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shareholders holding more than 5% shares in the company

	As at 31 March 2020		As at 31 March 2019	
Name of shareholder	**Number of shares**	**% holding in the class**	**Number of shares**	**% holding in the class**
Equity shares of Rs. 10 each fully paid				
Hem-sil Trading and Manufacturing Private Limited	4,017,318	33%	4,017,318	33%
Gowal Consulting Services Private Limited	3,000,000	24%	3,000,000	24%

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2020

During the five years immediately preceding 31 March 2020, neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash.

Note 20: Other equity

(i) Capital reserve

Capital reserve represents the forfeited share application money of Rs. 185 received for preferential convertible warrants in 2008-2009 and Rs. 124 received for equity convertible warrant in 2009-2010.

(ii) Securities premium

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilized in accordance with the applicable provisions of the Companies Act, 2013.

(iii) Capital redemption reserve

Capital redemption reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(iv) Capital reduction reserve

Capital reduction reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(v) Amalgamation reserve

Amalgamation reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(vi) Retained earnings

Retained earnings represents the profits that the Company has earned till date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

(vii) Equity instruments through Other Comprehensive Income

The Company has elected to recognize changes in the fair value of certain investments in equity securities of other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The company transfers amounts there from to retained earnings when the relevant equity securities are derecognized.

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

Note 21: Borrowings

	Note	As at 31 March 2020	As at 31 March 2019
A. Non-current borrowings			
Secured			
From Banks			
Term loan	(a)	1,480	-
Vehicle finance scheme	(b)	-	4
From Others			
Vehicle finance scheme	(c)	105	152
Hire Purchase finance scheme	(d)	11	16
Lease liabilities	(e)	733	21
		2,329	**193**
Unsecured			
From Others			
Inter-corporate deposits - from related party (refer note 44)	(f)	2,785	1,000
		2,785	**1,000**
Total non current borrowings (including current maturities)		**5,114**	**1,193**
Less : Current maturities of non-current borrowings (refer note 22)*		927	93
Less : Current maturities of non-current lease liabilities (refer note 22)*		182	-
		4,005	**1,100**

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

Notes:

(a) Term loan from RBL Bank amounting to Rs. 1,480 (31 March 2019: Rs. Nil) carrying interest rate of 11.25% p.a. (31 March 2019: Nil) is secured by exclusive charge by way of hypothecation on all current assets of the company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Lalru, Punjab and exclusive charge by way of hypothecation on all movable property, including plant and machinery, situated at Lalru, Punjab. The loan was repayable in 9 equal quarterly installments as per the repayment schedule from March 2020. However, subsequent to the year end, the Company has availed the moratorium extension announced by Reserve Bank of India. Accordingly, the loan is now repayable in 12 equal quarterly installments beginning from 30 June 2020.The terms of the loan also contain certain restrictive covenants primarily requiring the Company to maintain certain financial ratios. As at 31 March 2020, a breach of financial covenants associated with the loan occurred. Subsequent to the year end, the Company obtained a waiver from Bank for the breach of covenant for a period of 12 months from the reporting date.

(b) Loan from Axis Bank Limited under vehicle finance scheme amounting to Rs. Nil (31 March 2019: Rs. 4) carrying interest rate of Nil (31 March 2019: 9.41%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan was repayable in Nil equal monthly installments (31 March 2019: 8).

(c) - Loan from Indostar Capital Finance Limited under vehicle finance scheme amounting to Rs. 92 (31 March 2019: Rs. 114) carrying interest rate of 11.03% (31 March 2019: 11.03%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in 12 (31 March 2019: 24) equal monthly installments.

- Loan from Mahindra & Mahindra Finance Services Limited under vehicle finance scheme amounting to Rs. 13 (31 March 2019: Rs. 36) carrying interest rate of 11.02% (31 March 2019: 11.02%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in 8 (31 March 2019: 12 to 20) equal monthly installments.

- Loan from Kotak Mahindra Prime Limited under vehicle finance scheme amounting to Rs. Nil (31 March 2019: Rs. 2) carrying interest rate of 9.4% (31 March 2019: 9.4%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in Nil (31 March 2019: 8) equal monthly installments.

(d) Loan from Hewlett Packard Financial Services (India) Private Limited under hire purchase scheme amounting to Rs. 11 (31 March 2019 : Rs. 16) carrying interest rate of 13.86% (31 March 2019: 13.86%) for purchase of computer hardware. The loan is repayable in 7 (31 March 2019 : 11) equal quarterly instalments.

(e) The Company has entered into agreements for leasing office premises on lease and license basis. The leases typically run for a period of 5 years with no restriction placed upon the Company for entering into said lease. These leases were previously classified as operating leases under Ind AS 17. The Company also leases furnitures and fixtures under a number of leases, which were classified as finance leases under Ind AS 17.

Information about leases for which the Company is a lessee is presented below:

(i)The following are the amounts recognised in statement of profit and loss:

	Year ended 31 March 2020
Interest on lease liabilities	39
Expenses relating to short-term leases	18
	57

(ii) The following is the break-up of current and non-current lease liabilities as at 31 March 2020

	As at 31 March 2020
Non-current lease liabilities	551
Current maturities of lease liabilities (refer note 22)	182
	733

(iii) The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 11.25%

(iv) The following is the movement in lease liabilities during the year ended 31 March 2020:

	Year ended 31 March 2020
Balance at the beginning of the year	191
Finance lease reclassified on account of adoption of Ind AS 116	21
Additions to lease liabilities during the year	646
Finance cost accrued during the period	39
Payment of lease liabilities	(164)
Balance at the end of the year	**733**

(v) The following is the information regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

	As at 31 March 2020
Less than one year	182
One to five years	760
More than five years	-
Total	**942**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(vi) There are no leases not yet commenced to which the Company is committed.

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

(vii) Information about finance leases under Ind AS 17 is presented below:

- Loan from Hewlett Packard Financial Services (India) Private Limited under finance lease amounting to Rs. 14 (31 March 2019 : Rs. 21) carrying interest rate of 11.57% (31 March 2019: 11.57%) for purchase of computer hardware and is payable in 7 (31 March 2019 : 11) equal quarterly instalments.

(f) Inter-corporate deposits amounting to Rs. 2,785 (31 March 2019: INR 1,000) is carrying interest rate of 12.75% to 16.50% p.a (31 March 2019: 12.75% to 16.50% p.a).

B. Current borrowings		**As at 31 March 2020**	**As at 31 March 2019**
Loans repayable on demand			
- from banks (secured)	(a)	805	-
Inter-corporate deposits			
- from related party (unsecured)	(b)	-	3,635
- from others (unsecured)	(c)	4,000	4,200
Book overdraft		-	115
		4,805	**7,950**
		8,810	**9,050**

Notes:

(a) Packing credit amounting to Rs. 805 (31 March 2019: Rs. Nil) availed in foreign currency carrying interest rate of 6 % p.a. (31 March 2019: Nil) is secured by exclusive charge by way of hypothecation on all current assets of the company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Lalru, Punjab and exclusive charge by way of hypothecation on all movable property, including plant and machinery, situated at Lalru, Punjab.

(b) Inter-corporate deposits amounting to Rs. Nil (31 March 2019: INR 3,635) is carrying interest rate of 12.75% to 16.50% p.a (31 March 2019: 12.75% to 16.50% p.a).

(c) Inter-corporate deposits amounting to Rs. 4,000 (31 March 2019: Rs. 4,200) is carrying interest rate of 16.50% p.a (31 March 2019: 16.50% p.a) is repayable within one year.

C. Assets pledged as security

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end:	**As at 31 March 2020**	**As at 31 March 2019**
Property, plant and equipment	7,279	269
Inventory	8,648	-
Other current assets (including financial assets and assets held for sale)	12,884	-
	28,811	**269**

D. Reconciliation of movements of liabilities to cash flows arising from financing activities	**As at 31 March 2020**	**As at 31 March 2019**
Borrowings at the beginning of the year (current and non-current borrowings)	**9,028**	**6,891**
Proceeds from non-current borrowings*	1,588	1,175
Repayment of non-current borrowings*	(109)	(6,538)
Repayment of lease liabilities	(164)	-
Repayment / proceeds of current borrowings** (net)	(1,245)	7,350
Lease modification	821	-
Unwinding of fair value of CDR loan	-	150
Borrowings at the end of the year (current and non-current borrowings)	**9,918**	**9,028**

* Non-current borrowings include current maturities of non-current borrowings and lease liabilities

** Current borrowings do not include book overdraft and cash credit which form part of the cash and cash equivalents for the purpose of cash flow statement.

Note 22: Other financial liabilities	**As at 31 March 2020**		**As at 31 March 2019**	
	Non-current	**Current**	**Non-current**	**Current**
Current maturities of non current borrowings (refer note 21)	-	927	-	93
Current maturities of lease liabilities (refer note 21)	-	182	-	-
Interest accrued and due on borrowings	-	108	-	134
Unpaid dividend #	-	2	-	-
Government grant repayable (refer note 43(a)(3))	-	872	-	-
Interest bearing security deposits from customers	-	71	-	67
Security deposit from employees	-	238	-	253
Due to subsidiaries (refer note 44)	-	1,396	-	1,312
Employee related liabilities	-	642	-	529
Payable to promoter towards one time settlement	-	-	-	358
Capital creditors	-	324	-	224
Liabilities towards customer contracts	531	1,185	358	743
Book overdraft	-	150	-	-
Others	-	547	-	332
	531	**6,644**	**358**	**4,045**

\# not due for deposit to investor education and protection fund

Refer note 40(b) for information about liquidity risk and market risk of other financial liabilities.

Note 23: Provisions	**As at 31 March 2020**		**As at 31 March 2019**	
	Non-current	**Current**	**Non-current**	**Current**
Provision for employee benefits (refer note 42)				
Liability for gratuity	1,619	553	1,555	414
Liability for compensated absences	705	326	652	219
	2,324	**879**	**2,207**	**633**

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

Note 24: Other non-current liabilities	**As at 31 March 2020**	**As at 31 March 2019**
Deferred government grant	4	6
Deferred interest income	8	32
Deferred revenue	16	16
	28	**54**

Note 25: Trade payables	**As at 31 March 2020**	**As at 31 March 2019**
Dues to Micro Enterprises and Small Enterprises (refer note below)	386	45
Other trade payables	8,491	11,191
	8,877	**11,236**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under :

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	386	45
- Interest	7	0^
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27of 2006), along with the amount of payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during each accounting year) but without adding the interest specified under the MSMED act 2006.	34	0^
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	41	0^
(e) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	41	0^

^ amount is less than Rs. 1

Refer note 40(b) for information about liquidity risk and market risk of trade payables.

Note 26: Other current liabilities	**As at 31 March 2020**	**As at 31 March 2019**
Advance for sale of Property, plant and equipment *	-	45
Advance from customers	483	102
Deferred revenue	30	46
Deferred interest income	48	88
Deferred government grant	2	2
Statutory dues	201	268
	764	**551**

* During the earlier years, the Company had decided to sell off of its Pune unit against which the Company had received an advance of Rs. 45 which has been refunded by the Company during the current year.

Note 27: Current tax liabilities (net)	**As at 31 March 2020**	**As at 31 March 2019**
Provision for income tax (net of advance tax of Rs. 155 (31 March 2019: Rs. 388)	1,037	173
	1,037	**173**

Note 28: Revenue from operations	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Sale of products		
Finished goods	50,180	56,986
Traded goods	570	579
Sale of services	2,889	3,970
Other operating revenues:		
Scrap sales	133	146
Export incentive	702	2,169
Others	276	187
	54,750	**64,037**

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

Revenue disaggregation by geography is as follows:	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Geography:		
India	19,535	20,421
Outside India		
Europe (including united kingdom)	17,256	19,822
Japan	8,870	9,216
Others	7,978	12,076
Total	**53,639**	**61,535**

Information about major customers:
Revenue from 2 customer of the Company amounting to Rs. 20,660 (previous year: Rs. 24,494) and Rs. 8,623 (previous year: Rs. 7,712) respectively, constitute more than 10% of the total revenue of Company.

Changes in Contract assets are as follows:	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Balance at the beginning of the year	307	405
Invoices raised during the year	(307)	(405)
Revenue recognised during the year (yet to be invoiced)	306	307
Balance at the end of the year	**306**	**307**

Changes in Deferred revenue are as follows:	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Balance at the beginning of the year	62	70
Revenue recognised during the year	(16)	(8)
Balance at the end of the year	**46**	**62**

Reconciliation of revenue recognized with the contracted price is as follows:	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Contracted price	53,735	64,123
Reductions towards variable consideration components*	(96)	(86)
Revenue recognised	**53,639**	**61,535**

*The reduction towards variable consideration comprises of trade discount.

Note 29: Other income	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Interest income		
- on fixed deposits	8	15
- others	31	24
Reversal of impairment loss on doubtful advances	619	436
Liability no longer required written back	39	-
Rental income	310	458
Amortization of government grant	2	2
Exchange gain on foreign exchange fluctuation (net)	118	-
Gain on sale of property, plant and equipment (net)	6	2
Gain on sale of investment property (net)	785	-
Recovery against advance written off	-	91
Others	6	8
	1,924	**1,036**

Note 30: Cost of materials consumed	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Inventory of raw material at the beginning of the year	3,782	2,803
Add: Purchases of raw materials	32,319	40,721
Less: Inventory of raw material at the end of the year	(4,108)	(3,782)
	31,993	**39,742**

Note 31: Purchases of stock-in-trade	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Chemicals	445	583
	445	**583**

Note 32: Changes in inventories of finished goods, work-in-progress and stock-in-trade	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Opening stock		
Work-in-progress	1,412	986
Finished goods	2,606	2,620
Stock-in-trade	-	-
Less:	**4,018**	**3,606**
Closing stock		
Work-in-progress	2,934	1,412
Finished goods	926	2,606
Stock-in-trade	81	-
	3,941	**4,018**
	77	**(412)**

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

Note 33: Employee benefits expense	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Salaries, wages and bonus	5,865	5,428
Contribution to provident and other funds	648	566
Staff welfare expenses	357	359
	6,870	**6,353**

Note 34: Finance costs	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Interest expense on financial liabilities measured at amortized cost	1,429	1,582
Other borrowing cost	365	105
Other cost	-	19
	1,794	**1,706**

Note 35: Depreciation and amortization expense	**Note**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Depreciation of property, plant and equipment	3	1,080	1,079
Depreciation of right of use assets	4	146	-
Depreciation of investment property	5	73	501
Amortization of intangible assets	6	236	280
		1,535	**1,860**

Note 36: Other expense	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Stores and spares consumed	214	301
Power and fuel	4,229	4,672
Repairs and maintenance	1,198	1,104
Sub-contracting charges	483	561
Rent	18	155
Rates and taxes	755	76
Insurance charges	196	95
Traveling and conveyance	728	662
Commission on sales	81	136
Packing expenses	568	704
Freight and handling expenses	614	666
Job work expenses	222	74
Legal and professional fees (refer note (a) below)	355	504
Director's sitting fees	12	12
Charity and donations (other than political parties)	4	3
Corporate Social Responsibility expenditure (refer note (b) below)	36	52
Advances written off	6	-
Property, plant and equipment written off	15	53
Investment property written off	227	-
Loss on sale of plant, property and equipment (net)	-	19
Expected credit loss on trade receivables and advances	128	43
Marketing and promotional expenses	76	104
Exchange loss on foreign exchange fluctuations	-	301
Miscellaneous expenses	1,084	885
	11,249	**11,182**

(a) Payments to the auditor (excluding taxes as applicable):	**Year ended 31 March 2020**	**Year ended 31 March 2019**
As auditor		
Statutory audit	16	14
Limited review of quarterly results	9	9
Others	8	7
	33	**30**

(b) Details of Corporate Social Responsibility expenditure:	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Amount required to be spent by the Company during the year	40	51
Actual spent during the year:		
(i) Construction / acquisition of any asset	29	52
(ii) On purposes other than (i) above		
- In cash	7	-
-Yet to be paid in cash	4	-

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

Note 37: Exceptional item	**Note**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Loss on fire (net of insurance claim)	(a)	-	-
Charges incurred on one time settlement of borrowings	(b)	-	(838)
		-	**(838)**

(a) On 10 July 2019, a fire broke out at one section of Agro Chemicals Division, Derabassi which caused damage to the Company's property, plant, equipment, capital work-in-progress and inventories. The Company lodged claim with the insurance company for losses suffered which is under survey by the insurance company. The Company has recorded a loss of Rs. 1,034 arising from such incident for the year ended 31 March 2020. Further, the Company has also recognised a minimum insurance claim receivable for equivalent amount and has been disclosed under note 10 in these standalone financial statements. The aforementioned losses and the corresponding credit arising from insurance claim receivable has been presented on a net basis (Rs. Nil) under Exceptional items in these standalone financial statements. There are no disputes made by the insurance company against such claim till the date of these standalone financial statements. The Company has received on account payments of Rs. 379 from the insurance company and Rs. 51 from the scrap vendor. The same has been adjusted with the amount recoverable from the insurance company. Also, the Company is in the process of determining its final claim for loss of property, plant and equipment and losses incurred due to interruption of business and has accordingly not recorded any further claim arising therefrom at this stage.

(b) The Company paid an amount of Rs. 838 as one time settlement fees for One Time Settlement (OTS) with Union Bank, Bank of Baroda, Allahabad Bank and Exim Bank in the previous year which had been presented under Exceptional items in these standalone financial statements.

Note 38: Tax expense

a) Amount recognized in statement of profit and loss	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Current tax:		
- Current year	1,113	542
- Adjustments in respect of current tax of previous year	125	38
	1,238	**580**
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	(105)	616
	(105)	**616**
Total tax expense recognized	**1,133**	**1,196**

b) Reconciliation of effective tax rate

	Year ended 31 March 2020	**Year ended 31 March 2019**
Accounting profit before income tax	**2,711**	**3,221**
Tax at India's statutory tax rate of 25.168% (31 March 2019: 34.94%) *	682	1,125
Effect of expense that are non-deductible expenses in determining taxable profits	30	31
Effect of change in estimate related to previous year	125	38
Effect of incremental tax on sale of investment property	296	-
Others	1	2
Income tax expense recognized in the statement of profit and loss	**1,133**	**1,196**

* The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (previous year 34.940%) payable by corporate entities in India on taxable profits under the Indian tax law. The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its deferred tax asset (net) basis the rate prescribed in the said section. The full impact of this change has been recognised in the Statement of Profit and Loss for the year.

c) Income tax expense recognized in other comprehensive income	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Arising on income and expenses recognized in other comprehensive income		
Remeasurement of defined benefit obligation	7	59
Equity investments through other comprehensive income- net change in fair value	2	4
Total income tax recognized in other comprehensive income	**9**	**63**
Bifurcation of the income tax recognized in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	9	63
Items that will be reclassified to profit or loss	-	-
	9	**63**

Note 39: Earnings per share	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Profit after tax for basic and diluted EPS per share	1,578	2,025
Weighted average number of equity shares for basic and diluted EPS per share	12,262,185	12,262,185
Basic and diluted earnings per share (face value of Rs. 10 each)	**12.87**	**16.51**

Note 40(a): Fair values

Financial instruments by category and fair values	Note	Level of hierarchy	As at 31 March 2020			As at 31 March 2019		
			FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
Financial assets (non-derivative)								
Non current								
Investment in quoted equity shares ^	(a)	1	-	-	-	-	-	-
Investment in unquoted equity shares - Subsidiary	(b)		-	-	-	-	-	-
Investment in unquoted equity shares - Others	(a)	3	-	-	118	-	-	127
Trade receivables			-	-	-	-	-	-
Loans	(c)		-	280	-	-	258	-
Other financial assets	(c)		-	37	-	-	-	-
Current								
Trade receivables	(d)		-	4,766	-	-	6,179	-
Cash and cash equivalents	(d)		-	262	-	-	188	-
Other bank balances	(d)		-	162	-	-	155	-
Loans	(d)		-	2,186	-	-	1,544	-
Other financial assets	(d)		-	3,987	-	-	1,096	-
Total financial assets			**-**	**11,680**	**118**	**-**	**9,420**	**127**
Financial liabilities (non-derivative)								
Non-current								
Borrowings (including current maturities)	(e)	3	-	5,114	-	-	1,193	-
Other financial liabilities	(c)		-	531	-	-	358	-
Current								
Borrowings	(d)	3	-	4,805	-	-	7,950	-
Trade payables	(d)		-	8,877	-	-	11,236	-
Other financial liabilities	(d)		-	5,535	-	-	3,952	-
Total financial liabilities			**-**	**24,862**	**-**	**-**	**24,689**	**-**

(a) For quoted investments, market value is taken as fair value. The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.

(b) As per paragraph D 15 of Ind AS 101, the Company has elected to measure its investment in SD Agchem (Europe) (Subsidiary of the Company), at its fair value on transition date which will be regarded as it deemed cost. The investment in other subsidiary are carried at their previous GAAP value as its deemed cost on transition date.

(c) Fair value of non-current financial assets and financial liabilities has not been disclosed as there is no significant differences between carrying value and fair value.

(d) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(e) The Company's non-current borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such non-current borrowings approximates fair value. Further, in accordance with amendment Ministry of Corporate Affairs notified in Ind AS 113 on 30 March 2019, fair value measurement of lease liabilities is not required.

There are no transfers between level 1, level 2 and level 3 during the current year and previous year

Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Balance at the beginning of the year	127	139
Re-measurement recognized in OCI	(9)	(12)
Balance at the end of the year	**118**	**127**

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

Note 40(b): Financial risk management

(i) ***Risk management framework***

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

The Company has considered the possible effect that may result from the pandemic relating to COVID-19 on the carrying amount of property, plant and equipment, inventories, receivables, other current assets and on its assessment relating to the going concern. In developing the assumptions relating to the possible future uncertainities in the global economic conditions because of this pandemic, the Company as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered with no consequential impact on its assessment related to going concern. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval these standalone financial statements.

These standalone financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet the mandatory repayment terms of the banking facilities as disclosed in Note 21. The Company has recognised a net profit after tax of Rs. 1,578 lakhs for the year ended 31 March 2020 and, as at that date, current liabilities exceeded the current assets by Rs. 1,474 lakhs. However, the Company's operations during the year continued to generate cash flows and the management believes that no events have occurred that have an affect on the Company's ability to continue as a going concern. Management believes that the repayment of the facilities will occur as required and that the proceeds will be sufficient to meet the repayment requirements at that date. Management anticipates that any additional repayments required will be met out of operating cash flows or from alternative forms of capital raising. Further, the Company has sufficient unencumbered assets that can be utilized for any additional funding requirements in future.

The Company has exposure to the following risks arising from financial instruments:
- Credit risk (see (ii));
- Liquidity risk (see (iii));and
- Market risk (see (iv))

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

(ii) *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Company's receivable from customers and loans. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at 31 March 2020	As at 31 March 2019
- Investments	118	127
- Trade receivables	4,766	6,179
- Cash and cash equivalents	262	188
- Other bank balances	162	155
- Loans	2,466	1,802
- Other financial assets	4,024	1,096

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

The Company's exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Within India	2,575	1,458
Outside India	2,191	4,721

The carrying amount of the Company's most significant customer is Rs. 1,652 (31 March 2019: Rs. 1,124).

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

Particulars	Gross carrying amount	Loss allowance	Carrying amount
31 March 2020			
Less than 6 Months	4,657	-	4,657
More than 6 Months	1,419	1,310	109
	6,076	**1,310**	**4,766**
31 March 2019			
Less than 6 Months	6,048	-	6,048
More than 6 Months	1,314	1,183	131
	7,362	**1,183**	**6,179**

The movement in the allowance for impairment in respect of trade receivables is as follows

	Year ended 31 March 2020	Year ended 31 March 2019
Balance as at the beginning of the year	1,183	1,152
Provision made during the year	127	43
Amounts written back	-	(12)
Balance as at the end of the year	**1,310**	**1,183**

The loans primarily represents security deposits and advances recoverable. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for excepted credit loss has been provided on these financial assets. Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

Cash and cash equivalents

The Company holds cash and cash equivalents of Rs. 262 at 31 March 2020 (31 March 2019: Rs. 188). The cash and cash equivalents are held with scheduled banks.

(iii) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities. The Company will continue to consider various borrowings or leasing options to maximise liquidity and supplement cash requirements as necessary.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

	Less than 1 year	1 to 5 years	> 5 years	Total
As at 31 March 2020				
Borrowings (including current maturities)	5,914	4,005	-	9,919
Trade and other payables	8,877	-	-	8,877
Other financial liabilities	6,066	-	-	6,066
	20,856	**4,005**	**-**	**24,862**
As at 31 March 2019				
Borrowings (including current maturities)	8,043	1,100	-	9,143
Trade and other payables	11,237	-	-	11,236
Other financial liabilities	4,310	-	-	4,310
	23,590	**1,100**	**-**	**24,689**

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

(iv) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material prices under check to the extent possible.

(b) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

The exposure of the Company's borrowing to fixed interest rate as reported at the end of the reporting period are as follows:

	As at 31 March 2020	As at 31 March 2019
Fixed rate borrowings	9,114	9,143
Floating rate borrowings	805	-
Total borrowings (gross of transaction cost)	**9,919**	**9,143**

Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
Year ended 31 March 2020				
Interest rate (0.5% movement)	4	(4)	1	(1)
Year ended 31 March 2019				
Interest rate (0.5% movement)	-	-	-	-

(c) Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

Unhedged foreign currency exposure

The following table provides details of the Company's exposure to currency risk:

Foreign Exchange Exposures outstanding at the year end	Currency	As at 31 March 2020		As at 31 March 2019	
		Amount in indian currency	Amount in foreign currency	Amount in indian currency	Amount in foreign currency
Trade receivable	EUR	382	5	2,081	27
	USD	2,878	38	3,889	57
	GBP	-	-	11	-
Trade payable	EUR	102	1	95	1
	USD	795	11	1,830	26
Packing credit	EUR	805	10	-	-
Advances recoverable from related party	EUR	2,015	24	2,016	26
	USD	-	-	15	-
	GBP	-	-	36	-
Due to subsidiaries	EUR	1,397	17	1,312	17
Investments (at historical cost)	EUR	5,463	102	5,463	102
	GBP	-	-	0^	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2020 and 31 March 2019 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2020				
USD (2% movement)	(41)	41	(31)	31
EURO (2% movement)	(170)	170	(127)	127
GBP (2% movement)	-	-	-	-
31 March 2019				
USD (2% movement)	(42)	42	(27)	27
EURO (2% movement)	(210)	210	(137)	137
GBP (2% movement)	(1)	1	(0)^	0^

^ Amount is less than Rs. Nil (previous year: Rs. 1).

Note 41: Capital management

(i) *Risk management*

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total borrowings net of cash and cash equivalents and other bank balances. Equity comprises all components of equity (as shown in the Balance Sheet).

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

The Company's adjusted net debt to equity ratio was as follows.

	As at 31 March 2020	As at 31 March 2019
Total liabilities	29,894	28,307
Less: cash and cash equivalents and other bank balances	(424)	(343)
Adjusted net debt	**29,470**	**27,964**
Total equity	**11,450**	**10,120**
Adjusted net debt to equity ratio	**2.57**	**2.76**

(ii) **Dividends**

	Year ended 31 March 2020	Year ended 31 March 2019
Final dividend for the year ended 31 March 2019 of Rs. 1.50 (31 March 2018: Rs. Nil) per fully paid equity share *	184	-
Dividend not recognised at the end of the year		
In addition to the above dividend, since year end the Board of Directors have recommended payment of final dividend of Rs. 1.50 (31 March 2019: Rs. 1.50) per fully paid equity share. The proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting	184	184

* Final dividend has been paid on the number of shares issued by the Company till the date of annual general meeting after approval of shareholders

Note 42: Employee benefits

A. Assets and liabilities relating to employee benefits	As at 31 March 2020	As at 31 March 2019
Non-current		
Liability for gratuity	1,619	1,555
Liability for leave encashment	705	652
	2,324	**2,207**
Current		
Liability for gratuity	553	414
Liability for leave encashment	326	219
	879	**633**
	3,203	**2,840**

For details about the related employee benefit expenses, refer to note 33.

B. Defined contribution plan

a. Provident fund and employee’s state insurance
The Company’s provident fund scheme and employee’s state insurance (ESI) fund scheme are defined contribution plans. Under the scemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due.

b. Superannuation Fund
Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has recognised following amounts as expense in the Statement of Profit and Loss :	Year ended 31 March 2020	Year ended 31 March 2019
Amounts included in contribution to provident and other funds (refer note 33)		
Provident Fund	378	327
Superannuation Fund	243	201
ESI contribution	24	29
	645	**557**

C. Defined benefit plan - Gratuity

The employees’ gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:
The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:
Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:
This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

(i) Funding
Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

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

The following table sets out the status of the defined benefit plan as required under Ind AS 19 - Employee Benefits:

	Particulars	As at 31 March 2020	As at 31 March 2019
(ii)	**Reconciliation of present value of defined benefit obligation**		
	Balance at the beginning of the year	2,020	1,709
	Interest cost	155	133
	Current service cost	93	83
	Past service cost	-	-
	Benefits paid	(117)	(72)
	Actuarial loss recognised in other comprehensive income		
	- from changes in financial assumptions	44	
	- from changes in demographic assumptions	(1)	63
	- from experience adjustments	(13)	104
	Balance at the end of the year	**2,181**	**2,020**
c)	**Reconciliation of the present value of plan assets**		
	Balance at the beginning of the year	50	93
	Expected Interest Income	8	7
	Contributions paid by the employer	111	16
	Benefits paid	(112)	(64)
	Actuarial loss for the year on Assets	-	(2)
	Balance at the end of the year	**57**	**50**

	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
d)	**Amount recognized in statement of profit and loss**		
	Total service cost	93	83
	Interest cost on benefit obligation	151	125
	Amount recognized in statement of profit and loss	**244**	**208**
e)	**Remeasurements recognised in other comprehensive income**		
	Actuarial loss for the year on defined benefit obligation	30	167
	Return on plan assets (excluding interest income)	(4)	2
	Total Actuarial gain / (loss) for the year	**26**	**169**

f) Plan assets

100% of the plan assets are managed by LIC

g) Actuarial assumptions

(i) Economic assumptions: The principal assumptions arc the discount rale and salary growth rate The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate (per annum)	6.80%	7.66%
Future salary growth rate (per annum)	5.00%	5.50%
Expected rate of return on plan assets (per annum)	7.05%	7.80%
Expected average remaining working lives (years)	17.30	16.17

(ii) Demographic assumptions:

Particulars	As at 31 March 2020	As at 31 March 2019
Retirement Age	58	58
Mortality rate	100% of IALM (2012 - 14)	100% of IALM (2006-08)
Attrition rate		
Upto 30 years	3%	3%
31 to 44 years	2%	2%
44 years and above	1%	1%

h) Sensitivity analysis on defined benefit obligation on account of change in significant assumption:

	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(59)	62	(54)	58
Future salary growth rate (0.5% movement)	60	(58)	56	(54)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i) Expected future benefit payments

Undiscounted amount of expected benefit payments for next 10 years are as follows:	As at 31 March 2020	As at 31 March 2019
Within 1 year	505	415
1-2 year	143	27
2-3 year	148	67
3-4 year	140	40
4-5 year	188	160
5-10 years	1,057	1,312

j) Weighted average duration and the expected employers contribution for next year of the defined benifit plan:

	As at 31 March 2020	As at 31 March 2019
Weighted average duration of the defined benefit plan (in years)	13.79	13.09
Expected employers contribution for next year	244	240

Note 43: Contingent liabilities and commitments (to the extent not provided for)

(a) Claims against the company not acknowledged as debts

	As at 31 March 2020	As at 31 March 2019
Excise duty matters	-	36
Service tax matters	1	17
Income Tax matters	314	761
Sales tax matters	11	11
Labour laws matters	4	8
Civil matters	-	1,004
	330	**1,837**

Notes:

(1) The Company is contesting the demands and the management, including its tax advisors, believe that its position will be likely be upheld in appellate process. No tax expense has been accrued in financial statements for the tax demand raised. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operations.

(2) During the year ended 31 March 2020 the Company has opted for Sabka Vishwas (Legacy Dispute Resolution Scheme), 2019 (“SVLDRS”). SVLDRS is a one-time measure for liquidation of past disputed cases of central excise and service tax for which show cause notice or appeals were pending as at 31 March 2019. The Company has paid a liability of Rs. 7 under the scheme and recognized the same as expense to Statement of Profit and Loss.

(3) During the year ended 31 March 2020, the Directorate of Revenue Intelligence has asked the Company to re-ascertain the benefits claimed under the Merchandise Exports from India Scheme. Consequently, the Company has suo moto deposited Rs. 125 lakhs and will pay remaining liability in due course in accordance with the necessary statutory procedures. Till date of these standalone financial statements, the Company has not received any show cause notice/ notice of demand pursuant to the above.

(4) Pursuant to recent judgement by the hon'ble supreme court dated 28 February 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However there is uncertainty with respect to the applicable of the judgement and period from which the same applies. The Company has estimated the impact of the same from post 28 February 2019 and recognised in the financial statement. Owing to the aforsaid uncertainty and pending clarification from the authority in this regard, the company has not recognised any provision for the period prior to date of judgement. Further management also believes that the impact of the same on the company will not be material.

(5) Subsequent to 31 March 2020, the Company and the Managing Director along with Director (Operation and Business Development) have received a show cause notice from an Adjudicating Officer of the Securities and Exchange Board of India (SEBI) with respect to allegations pertaining to non-disclosure of certain information to the Stock Exchange under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The Company has obtained necessary legal advice, which is favourable to its position in the matter and will take appropriate action in due course.

(b) Other Commitments

	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	885	776
Amount payable under non-cancellable leases	-	201

Notes:

(1) The Company has extended comfort letter to provide continued financial support to its wholly-owned subsidiary to ensure that the subsidiary is able to meet its debts, commitments and liabilities as they fall due and it continues as going concern in the foreseeable future.

(2) The amount payable under non-cancellable lease has been presented for 31 March 2019 as per Ind AS 17 since the Company has adopted Ind AS 116 with effect from 1 April 2019.

Note 44: Related party disclosures

I. ***List of related parties and nature of related party relationship, where control exists:***

Description of Relationship	Name of the Party
Subsidiaries (including step down subsidiary)	STS Chemicals (UK) Limited (upto 15 May 2018) S D Agchem (Europe) NV

II. ***List of related parties and nature of relationship with whom transactions have taken place during the current / previous year***

Description of Relationship	Name of the Party
Enterprises where control over the composition of Governing Body exists	Hemsil Trading & Manufacturing Private Limited Shroff family master trust (w.e.f 26 November 2019) Akola Chemicals (India) Limited Pimex India Pvt Ltd
Key managerial personnel	Mr. Shalil Shroff (Managing Director) Mr. Avtar Singh (Whole time Director) Mr. Vipul Joshi (Chief Financial Officer) (upto 31 March 2020) Mr. Punit K Abrol (Sr. Vice President (Finance) & Company Secretary) Mr. Jain Prakash (Sr. Vice President (Works))

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

Description of Relationship	**Name of the Party**
Non Executive Directors	Mr Mukesh D Patel Mr. Vijay Dilbagh Rai Smt. Sindhu Seth (upto 29 May 2018) Mr. Sheo Prasad Singh Capt. S S Chopra (Retd.) Mrs Aruna Bhinge (w.e.f 29 May 2018) Mr. S.S.Tiwari
Relatives of key managerial personnel	Mrs. Shaila Shroff (upto 14 February 2020) Mrs. Bhupinder Kaur Mrs. Ravinder Kaur (upto 28 February 2019) Mr. Jaskaran Singh Ms. Sonal Tiwari

III ***Transactions with related parties during the current / previous year***

Nature of transactions	**Relationship**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
a. Sale of goods			
SD Agchem (Europe) N.V.	Subsidiary	717	863
Akola Chemicals (India) Limited	Enterprises where control over the composition of Governing Body exists	25	-
b. Loans taken, deposits received, advances received during the year			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	150	4,400
c. Payment of lease liabilities			
Shroff family master trust	Enterprises where control over the composition of Governing Body exists	50	-
d. Amount received against loan/advance given			
SD Agchem (Europe) N.V.	Subsidiary	169	291
e. Loans repaid during the year			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	2,000	150
f. Interest expense during the year			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	463	517
g. Expected credit loss on trade receivables made during the year			
SD Agchem (Europe) N.V.	Subsidiary	3	-
h. Reversal of expected credit loss on trade receivables during the year			
SD Agchem (Europe) N.V.	Subsidiary	-	2
i. Expected credit loss on advances made during the year			
STS Chemicals (UK) Limited	Subsidiary	-	36
j. Reversal of expected credit loss on advances made during the year			
SD Agchem (Europe) N.V.	Subsidiary	603	431
STS Chemicals (UK) Limited	Subsidiary	-	1
k. Employee benefits paid			
Short term employee benefits			
Mr. Shalil Shroff	Key managerial personnel	187	134
Mr. Avtar Singh	Key managerial personnel	141	112
Mr. Vipul Joshi	Key managerial personnel	99	82
Mr. Punit K Abrol	Key managerial personnel	77	65
Mr. Jain Prakash	Key managerial personnel	82	67
Benefits to Relatives			
Ms. Shaila Shroff	Relatives of key managerial personnel	16	17
Ms. Ravinder Kaur	Relatives of key managerial personnel	-	17
Mr. Jaskaran Singh	Relatives of key managerial personnel	13	9
l. Commission			
Executive Directors	Key managerial personnel	-	30
Non Executive Directors	Key managerial personnel	-	20
m. Sitting Fees		12	12
Non Executive Directors	Key managerial personnel		
n. Legal & Professional			
Ms. Bhupinder Kaur	Relatives of key managerial personnel	1	1
Ms. Sonal Tiwari	Relatives of key managerial personnel	27	22
o. Payment to promoter towards one time settlement			
Mr. Shalil Shroff	Key managerial personnel	358	-
p. Other borrowing cost			
Mr. Shalil Shroff	Key managerial personnel	141	-

Break-up of compensation of key managerial personnel of the Company	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Short-term employee benefits	585	489
Post-employment benefits	27	90
Total	**612**	**579**

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

IV ***Outstanding balances as at year end***

Particulars	Relationship	As at 31 March 2020	As at 31 March 2019
Payables			
SD Agchem (Europe) N.V.	Subsidiary	1,396	1,312
Receivables			
SD Agchem (Europe) N.V.	Subsidiary	42	351
Akola Chemical (India) Limited	Enterprises where control over the composition of Governing Body exists	4	-
Advances given			
SD Agchem (Europe) N.V.	Subsidiary	2,015	2,016
Borrowings			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	2,785	4,635
Security deposit from employees			
Mr. Shalil Shroff	Key managerial personnel	2	2
Mr. Avtar Singh	Key managerial personnel	2	2
Mr. Punit K Abrol	Key managerial personnel	10	10
Mr. Jain Prakash	Key managerial personnel	11	11
Commission payable to directors			
Non Executive Directors	Key managerial personnel	-	20
Executive Directors	Key managerial personnel	-	30
Employee related liabilities			
Executive Directors	Key managerial personnel	-	8
Interest accrued and due on borrowings			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	57	134
Payable to promoter towards one time settlement			
Mr. Shalil Shroff	Key managerial personnel	-	358

V. Terms and conditions of transactions with related parties

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions and within ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Note 45: Segment Information

The Executive Management Committee (Board of Director and key managerial personnel) monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. For management purpose, the Company has identified "Performance Chemicals" as single operating segment.

A) Information about geographical areas

Year ended 31 March 2020

	Sale of goods *	Sale of services *	Non current assets #
India	16,646	2,889	19,152
Outside India			
Europe (including united kingdom)	17,256	-	-
Japan	8,870	-	-
Others	7,978	-	71
Total	**50,750**	**2,889**	**19,223**

Year ended 31 March 2019

	Sale of goods *	Sale of services *	Non current assets #
India	16,563	3,858	19,390
Outside India			
Europe (including united kingdom)	19,822	-	-
Japan	9,216	-	-
Others	11,964	112	180
Total	**57,565**	**3,970**	**19,570**

* Sale of goods and sale of services has been presented based on the geographical location of the customers.
# Non-current assets are excluding financial instruments and deferred tax assets and have been presented based on the geographical location of assets.

B) Information about major customers

Revenue from 2 customer of the Company amounting to Rs. 20,660 (previous year: Rs. 24,494) and Rs. 8,623 (previous year: Rs. 7,712) respectively, constitute more than 10% of the total revenue of Company.

Note 46: As at 31 March 2020, the Company had certain old outstanding balances of trade receivables from overseas customers amounting to Rs. 1,012 (previous year: Rs. 920), which have been fully provided for in earlier years, and certain old outstanding balances of trade payables towards overseas vendors amounting to Rs. 139 (previous year Rs. 128). Further, as at 31 March 2020, the Company has certain advances recoverable from its wholly owned subsidiary, located outside India, amounting to Rs. 2,015 (previous year: Rs. 1,413) against expenses incurred on its behalf and certain other financial liabilities due towards it amounting to Rs. 1,396 (previous year: Rs. 1,396).

The Company is in the process of taking necessary steps for settlement/adjustment of these old outstanding receivable / payable sums by approaching relevant regulatory authorities / Reserve Bank of India or adopting any other action permitted under applicable regulations / laws.

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

Note 47: Disclosures pursuant to Section 186 of the Companies Act, 2013:

	As at 31 March 2020	As at 31 March 2019
Investments:		
(i) Investment in equity shares: Dena Bank Limited merged with Bank of Baroda		
Balance as at the year end ^	0	0
Maximum amount outstanding at any time during the year ^	0	0
(ii) Investment in equity shares: Syndicate Bank Limited merged with Canara Bank		
Balance as at the year end ^	0	0
Maximum amount outstanding at any time during the year ^	0	0
(iii) Investment in equity shares: Nimbua Green Field (Punjab) Limited		
Balance as at the year end	108	117
Maximum amount outstanding at any time during the year	117	129
(iv) Investment in equity shares: Mohali Green Environment Private Limited		
Balance as at the year end	10	10
Maximum amount outstanding at any time during the year	10	10

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

Note 48: The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.

As per our report of even date attached

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

Gaurav Mahajan
Partner
Membership No. : 507857

Place: Chandigarh
Date: 29 June 2020

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

Mukesh D Patel
Chairman
DIN: 00009605
Place: Baroda

Shalil Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Avtar Singh
Director (Operations & Business Development)
DIN: 00063569
Place: Derabassi

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi
Date: 29 June 2020

Dr (HC) Sriram Swaminatha
Chief Financial Officer
Place: Mumbai

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

Statutory Audit for the year ended 31 March 2020

CONSOLIDATED FINANCIAL STATEMENTS

B S R & Co. LLP
Chartered Accountants

Unit No. A505 (A),
5th Floor, Plot No. 178-179A,
Industrial & Business Park, Phase- I
Chandigarh - 160002

Telephone: + 91 172 6644000
Fax: + 91 172 6644004

INDEPENDENT AUDITORS' REPORT

To the Members of Punjab Chemicals and Crop Protection Limited

Report on the Audit of Consolidated Financial Statements

1. Opinion

We have audited the consolidated financial statements of Punjab Chemicals and Crop Protection Limited (hereinafter referred to as the 'Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of such subsidiary as was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

3. Key Audit Matters

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

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14,2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai - 400 011

Revenue recognition	
The key audit matter	**How the matter was addressed in our audit**
The Company recognises revenue from the sales of products when control over goods is transferred to the customer based on the specific terms and conditions of the sale contracts entered into with respective customers. We have identified recognition of revenue as a key audit matter as – • revenue is a key performance indicator; and • there is a presumed fraud risk of revenue being overstated through manipulation of the timing of transfer of control due to pressures to achieve performance targets as well as meeting external expectations.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: - Assessing the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards; - Testing of design, implementation and operating effectiveness of the Company's general Information Technology ('IT') controls and key IT application controls by involving our IT specialists; - Performing substantive procedures including testing of recognition of revenue in the appropriate period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year. - Examining the underlying documents such as sales invoices/contracts and dispatch/shipping documents for the selected transactions. - Assessing manual journals posted in revenue ledger to identify any unusual items.

IT system migration	
The key audit matter	**How the matter was addressed in our audit**
The Company used Navision which was upgraded to SAP B1 HANA in July 2019. Migration is a major upgrade to the existing core enterprise application system resulting into a significant reliance of financial accounting and reporting systems on IT systems and IT controls to process significant transaction volumes, specifically with respect to revenue and raw material consumption. The transfer of financial systems mid-way through the financial year presents inherent risks including inaccurate or incomplete data transfer, inappropriate changes made to the application systems or programs that contain relevant automated controls (i.e., configurable settings, automated algorithms, automated calculations, and automated data extraction) and/or report logic and systems not adequately configured or updated to restrict system access to authorized users.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: - We assessed the complexity of the IT environment by engaging IT specialists and obtained understanding from the head of IT. - We evaluated the design and evaluation of the operating effectiveness of general IT controls over program development and changes, access to programs and data and IT operations by engaging IT specialists. - We evaluated the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company by engaging IT specialists. - We evaluated the operating effectiveness of controls relating to data transmission including the values of balances, the classification of transactions and the completeness of the data, migrated from Navision to SAP B1 HANA.

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

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

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

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

5. Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiary) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entity or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entity. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by it. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

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

7. Other Matters

We did not audit the financial information of one subsidiary, whose financial information reflect total assets of Rs.64 lakhs as at 31 March 2020, total revenues of Rs. 924 lakhs and net cash flows amounting to Rs. 44 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit report of the other auditor.

The subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

8. Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other 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 Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020, 1 April 2020, 7 May 2020 and 18 June 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

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

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 43 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to directors by the Holding Company is in excess of the limit laid down under Section 197 of the Act. Accordingly, the Holding Company has taken shareholder's approval by way of special resolution for such payment. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 20507857AAAAAX9797

Place: Chandigarh
Date: 29 June 2020

Annexure A to the Independent Auditors' report on the consolidated financial statements of Punjab Chemicals and Crop Protection Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 8(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Punjab Chemicals and Crop Protection Limited (hereinafter referred to as "the Holding Company") as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

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

Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 20507857AAAAAX9797

Place: Chandigarh
Date: 29 June 2020

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

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	15,865	15,715
Right of use assets	4	667	-
Capital work-in-progress	3	1,428	582
Investment property	5	-	1,879
Other intangible assets	6	230	362
Intangible assets under development	6	68	87
Financial assets			
- Investments	7	118	127
- Trade receivables	8	-	-
- Loans	9	280	258
- Other financial assets	10	37	-
Deferred tax assets (net)	11	153	39
Income tax assets (net)	12	649	649
Other non-current assets	13	317	297
Total non-current assets		**19,812**	**19,995**
Current assets			
Inventories	14	8,648	8,160
Financial assets			
- Trade receivables	8	4,766	6,263
- Cash and cash equivalents	15	323	205
- Other bank balances	16	162	155
- Loans	9	171	131
- Other financial assets	10	3,987	1,096
Other current assets	17	1,259	1,112
Total current assets		**19,316**	**17,122**
Assets held for sale	18	265	-
Total assets		**39,393**	**37,117**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	1,226	1,226
Other equity	20	8,549	7,860
Total equity		**9,775**	**9,086**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	21	4,005	1,100
-Other financial liabilities	22	531	358
Provisions	23	2,324	2,207
Other non-current liabilities	24	28	54
Total non-current liabilities		**6,888**	**3,719**
Current liabilities			
Financial liabilities			
- Borrowings	21	4,805	7,950
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	25	386	45
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	25	8,558	11,263
- Other financial liabilities	22	6,301	3,667
Other current liabilities	26	764	581
Provisions	23	879	633
Current tax liabilities (net)	27	1,037	173
Total current liabilities		**22,730**	**24,312**
Total liabilities		**29,618**	**28,031**
Total equity and liabilities		**39,393**	**37,117**
Significant accounting policies	2		
Notes to the consolidated financial statements	3-49		

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

As per our report of even date attached

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

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

Gaurav Mahajan
Partner
Membership No. : 507857

Mukesh D Patel
Chairman
DIN No.: 00009605
Place: Baroda

Shalil Shroff
Managing Director
DIN No.: 00015621
Place: Mumbai

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

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi
Date: 29 June 2020

Dr (HC) Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

Place: Chandigarh
Date: 29 June 2020

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

Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	28	54,956	64,294
Other income	29	1,313	656
Total income		**56,269**	**64,950**
EXPENSES			
Cost of material consumed	30	31,993	39,742
Purchases of stock-in-trade	31	445	583
Changes in inventories of finished goods, stock-in- trade and work-in progress	32	77	(412)
Employee benefits expense	33	6,870	6,353
Finance costs	34	1,814	1,726
Depreciation and amortisation expense	35	1,535	1,860
Other expenses	36	11,327	11,384
Total expenses		**54,061**	**61,236**
Profit before tax and exceptional item		**2,208**	**3,714**
Exceptional items			
- (Charges incurred) on one time settlement of borrowings	37	-	(838)
- Loss on fire (net of insurance claim)		-	-
Profit before income tax		**2,208**	**2,876**
Income tax expense	38		
Current tax		1,113	542
Adjustment of tax relating to earlier periods		125	38
Deferred tax		(105)	616
Total income tax expense		**1,133**	**1,196**
Profit for the year		**1,075**	**1,680**
Other comprehensive income/ (expense)			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		(26)	(169)
- Equity investments through other comprehensive income- net change in fair value		(9)	(12)
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		7	59
- Equity investments through other comprehensive income- net change in fair value		2	4
Items that will be reclassified subsequently to profit or loss:			
- Exchange difference in translating financial statements of foreign operations		(138)	107
Other comprehensive (expense) for the year (net of income tax)		**(164)**	**(11)**
Total comprehensive income for the year		**911**	**1,669**
Earnings per equity share [nominal value of Rs. 10 (previous year Rs. 10)]	39		
Basic (Rs.)		8.77	13.70
Diluted (Rs.)		8.77	13.70
Significant accounting policies	2		
Notes to the consolidated financial statements	3-49		

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

As per our report of even date attached

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

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

Gaurav Mahajan
Partner
Membership No. : 507857

Mukesh D Patel
Chairman
DIN No.: 00009605
Place: Baroda

Shalil Shroff
Managing Director
DIN No.: 00015621
Place: Mumbai

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

Place: Chandigarh
Date: 29 June 2020

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi
Date: 29 June 2020

Dr (HC) Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

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

a. Equity share capital:

	Note	
Balance as at 1 April 2018	19	**1,226**
Changes in equity share capital during the year		-
Balance as at 31 March 2019	19	**1,226**
Changes in equity share capital during the year		-
Balance as at 31 March 2020		**1,226**

b. Other Equity:

	Reserves and surplus (Refer note 1)						Other comprehensive income (Refer note 1)		
Particulars	**Capital reserve**	**Securities premium**	**Capital redemption reserve**	**Capital reduction reserve**	**Amalgamation reserve**	**Retained earnings**	**Equity instruments through other comprehensive income**	**Foreign currency translation reserve**	**Total**
Balance as at 1 April 2018	**314**	**5,707**	**28**	**21**	**19**	**47**	**17**	**38**	**6,191**
Total comprehensive income for the year ended 31 March 2018									
- Profit for the year	-	-	-	-	-	1,680	-	-	1,680
- Other comprehensive income/(expense) (net of tax)	-	-	-	-	-	(110)	(8)	107	(11)
Total comprehensive income for the year	-	-	-	-	-	1,570	(8)	107	1,669
- Transfers	-	-	-	-	-	(76)	-	76	-
Balance as at 31 March 2019	**314**	**5,707**	**28**	**21**	**19**	**1,541**	**9**	**221**	**7,860**
Total comprehensive income for the year ended 31 March 2019									
- Profit for the year	-	-	-	-	-	1,075	-	-	1,075
- Dividend	-	-	-	-	-	(184)	-	-	(184)
- Corporate dividend tax	-	-	-	-	-	(38)	-	-	(38)
- Other comprehensive (expense) (net of tax)	-	-	-	-	-	(19)	(7)	(138)	(164)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**834**	**(7)**	**(138)**	**689**
- Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	**314**	**5,707**	**28**	**21**	**19**	**2,375**	**2**	**83**	**8,549**

Note 1 : Refer to note 20 for nature and purpose of other equity

Significant accounting policies	2
Notes to the consolidated financial statements	3-49

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

As per our report of even date attached

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

Gaurav Mahajan
Partner
Membership No. : 507857

Place: Chandigarh
Date: 29 June 2020

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

Mukesh D Patel
Chairman
DIN No.: 00009605
Place: Baroda

Shalil Shroff
Managing Director
DIN No.: 00015621
Place: Mumbai

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

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi
Date: 29 June 2020

Dr (HC) Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

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

	Year ended 31 March 2020	Year ended 31 March 2019
A. Cash flow from operating activities		
Profit before tax	**2,208**	**2,876**
Adjustments for:		
Depreciation and amortization expense	1,535	1,860
Liability no longer required written back	(39)	(51)
Reversal of impairment loss on doubtful advances	(17)	(5)
Interest income	(39)	(39)
Amortisation of government grants	(2)	(2)
Finance cost	1,814	1,726
Charges incurred on one time settlement of borrowings	-	838
Unrealised foreign exchange (gain) / loss (net)	(173)	108
Advances written off	6	37
Property, plant and equipment written off	15	53
Investment property written off	227	-
(Gain) / loss on sale of property, plant and equipment (net)	(6)	17
(Gain) on sale of investment property	(785)	-
Reversal of FCTR on disposal of subsidiary	-	76
Expected credit loss on trade receivable	125	44
Rental income	(310)	(458)
Operating cash flow before working capital changes	**4,559**	**7,080**
Changes in working capital:		
Decrease / (Increase) in trade receivables	1,531	(2,209)
(Increase) in inventories	(585)	(1,460)
(Increase) / decrease in other current and non-current assets	(147)	1,061
(Increase) in current and non-current other financial assets	(534)	(98)
Decrease in current and non-current loans	80	859
(Decrease) / Increase in trade payables and other liabilities	(2,316)	471
Increase in other current financial liabilities	952	1,293
Increase in long-term and short-term provisions	337	385
Cash generated from operating activities	**3,877**	**7,382**
Income tax paid (net)	(430)	(537)
Net cash generated from operating activities (A)	**3,447**	**6,845**
B. Cash flow from investing activities		
Acquisition of property, plant and equipment (including capital advances)	(2,661)	(2,724)
Proceeds from sale of property, plant and equipment	100	104
Proceeds from sale of investment property	519	-
Taxes paid on sale of investment property	(23)	-
Proceeds from insurance claim	430	-
Proceeds from sales of investment in shares	-	4
Movement in other bank balances	7	10
(Increase) in deposits with original maturity of more than 12 months	(37)	-
Interest received	3	59
Rental income	310	458
Net cash flows (used in) investing activities (B)	**(1,352)**	**(2,089)**
C. Cash flow from financing activities		
Proceeds from non-current borrowings	1,588	1,175
Repayments of non-current borrowings	(109)	(6,538)
Repayment of lease liabilities	(164)	-
Repayment / proceeds of current borrowings (net)	(1,245)	7,350
One time settlement cost on borrowings paid to banks	-	(838)
Payment of dividend (including corporate dividend tax)	(222)	-
Finance cost paid	(1,722)	(1,533)
Net cash flows (used in) financing activities (C)	**(1,874)**	**(384)**
Net increase in cash and cash equivalents (A+B+C)	**221**	**4,372**
Effect of exchange (loss) / gain on cash and cash equivalents	**(138)**	**107**
Cash and cash equivalents at the beginning	**90**	**(4,389)**
Cash and cash equivalents at the end	**173**	**90**

Notes :

1. Cash and cash equivalents include :

Balances with banks		
- In current accounts	155	181
- Deposits with original maturity of less than three months	154	21
Cash on hand	14	3
Book overdraft	(150)	(115)
	173	**90**

2. The above cash flow statement has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows". Also, refer to note 2(t).
3. Refer note 21 for reconciliation of movements of liabilities to cash flows arising from financing activities.

Significant accounting policies	2
Notes to the consolidated financial statements	3-49

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

As per our report of even date attached

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

Gaurav Mahajan
Partner

Place: Chandigarh
Date: 29 June 2020

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

Mukesh D Patel
Chairman
DIN: 00009605
Place: Baroda

Shalil Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Avtar Singh
Director (Operations & Business Development)
DIN: 00063569
Place: Mumbai

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi
Date: 29 June 2020

Dr (HC) Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

Note 1. Corporate Information

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

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

Note 2. Significant accounting policies

(a) Basis of preparation

(i) Statement of compliance

These Consolidated financial statements (“Consolidated Financial Statements”) have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013, (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The consolidated financial statements of the Company as at and for the year ended on 31 March 2020 comprise the financial statements of the Company and its subsidiary (together referred to as "the Group").

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

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

b. The Group had opted to carry the assessment whether a contract or arrangement contains a lease on the basis of and circumstances existing at the date of transition except where the effect is not expected to be material. In accordance with Ind AS 17, this assessment should be carried out (at the inception of the contract or arrangement).

c. The Group had deemed the cumulative translation differences for all foreign operations to be zero as at the transition date by transferring cumulative differences to retained earnings.

The Consolidated financial statements for the year ended 31 March 2020 were approved for issue by the Company’s Board of Directors on 29 June 2020.

(ii) *Changes in Significant Accounting Policies*

The Group has initially applied Ind AS 116 from l April 2019. A number of other new standards and amendments are also effective from l April 2019 but they do not have a material effect on the Group 's financial statements.

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

The Group applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. Accordingly, the comparative information presented for the previous year ended 31 March 2019 is not restated – i.e. it is presented, as previously reported, under Ind AS 17. The details of the changes in accounting policies are disclosed in note 2 (p). Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

(iii) Functional and presentation currency

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

(iv) Basis of measurement

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

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

(v) Use of estimates and judgments

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

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

- Note 2(a)(v) and 40(a) - Fair value measurement
- Note 2(d) and 3 – Assessment of useful life and residual value of Property, plant and equipment
- Note 2(e) and 4 – Assessment of lease term, useful life of right-to-use asset, discount rate
- Note 2(f) and 5 – Assessment of useful life of Investment property
- Note 2(g) and 6 – Assessment of useful life of Intangible assets
- Note 2(p),2(q), 23 and 43 – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2(n) and 38 – Recognition and estimation of tax expense including deferred tax
- Note 2(m) and 42 – Measurement of defined benefit obligations: key actuarial assumptions
- Note 2(j) – Impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 2(j) – Impairment of financial assets
- Note 2(i) – Valuation of inventories
- Note 2(n) and 11 - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used, future recoverability been probable;

(vi) Measurement of fair values

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

Significant valuation issues are reported to the Company's board of directors.

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

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

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

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included note 40(a).

(b) Principles of consolidation

The consolidated financial statements comprises the financial statement of the Group, and the entities controlled by the Group including its subsidiary as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The details of the consolidated entities are as follows:

S. No.	Name	Country of Incorporation	Percentage of ownership
1	SD Agchem (Europe) NV	Belgium	100 %
2	STS Chemicals (UK) Limited*	United Kingdom	0 %

* During the previous year, Company had dissolved its wholly owned overseas subsidiary i.e. STS Chemicals (UK) Limited, consequently upon dissolution, STS Chemicals ceased to be the subsidiary of the Company.

Consolidation procedure

(i) Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity. NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in Statement of Profit and Loss.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in Statement of Profit and Loss.

(vii) Foreign operations

The assets and liabilities of foreign operations (i.e subsidiary) including goodwill and fair value adjustments arising on acquisition, are translated into Indian Rupees, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Such exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI.

(c) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVOCI

A ‘debt instrument’ is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Group may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable adoption to present in other comprehensive income subsequent changes in the fair value. The

Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

<u>Financial liabilities</u>

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting

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

(d) Property, plant and equipment ('PPE')

Recognition and measurement

Items of PPE are stated at cost, which includes capitalized finance costs, less accumulated depreciation and/or accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes after deducting any trade discounts and rebates and any directly attributable cost of bringing the asset to its working condition for its intended use.

The cost of a self-constructed item of PPE comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

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

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with the notification dated 29 August 2014 of the Ministry of Corporate Affairs except for certain classes of PPE which are depreciated based on the internal technical assessment of the management. The estimated useful lives of items of PPE for the current and comparative periods are as follows:

Particulars	**Useful life as per Schedule II**	**Management estimate of useful life**
Building - Factory	30 Years	5 - 28 Years
Building - Office	60 Years	5 - 50 Years
Plant and equipment	3 - 15 Years	5 - 20 Years
Electrical installations	10 Years	20 Years
Vehicles	8 Years	8 Years
Furniture and fittings	10 Years	10 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Derecognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

(e) Leases

The Group has initially applied Ind AS 116 from 1 April 2019

Accounting for leases under Ind AS 116 (applicable after 1 April 2019)

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases in which the Group is a lessee

The Group's lease asset classes primarily consist of leases for buildings and leasehold land. The Group, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered on or after 1 April 2019.

The Group elected to use the following practical expedients on initial application:

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

The Group recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Group recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

Leases in which the Group is a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

Accounting for leases under Ind AS 17 (applicable before 1 April 2019)

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. If it is a lease arrangement, it is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Leases in which the Group is a lessee

Finance leases

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Leases in which the Group is a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in Plant, Property and Equipment. Lease income is treated as revenue and the same is credited to the statement of profit and loss on straight line basis. Costs including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage etc are recognized immediately in the statement of profit and loss.

(f) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the Group depreciates investment property on a straight-line basis using the best estimate of the period over which investment property is expected to be used. The useful life estimate is different from the indicative useful life mentioned in Part C of Schedule II to the Act. The estimated useful lives of items of investment property for the current and comparative periods are as follows:

Investment property	Useful life as per Schedule II	Management estimate of useful life
Building	30 Years	5 - 28 Years
Plant and equipment	3 - 15 Years	5 - 20 Years

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

(g) Other intangible assets

Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
- Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Acquired Intangible

Intangible assets that are acquired (including implementation of software system) are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Advances paid towards acquisition of intangible assets outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in Statement of Profit and Loss.

The estimated useful lives are as follows:

- Computer software	3 Years
- Product registrations (including task charges, task force studies and other related expenses)	10 Years
- Technical know-how	5 Years

Derecognition

Intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

(h) Non-current assets held for sale

Non-current assets, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment, and investment property and intangible assets are no longer amortised or depreciated.

(i) Inventories

Inventories are valued at lower of cost or net realisable value. The methods of determining cost of various categories of inventories are as follows:

Raw materials (except goods in transit)	Weighted average method
Finished goods	Weighted average method
Packing material	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

(j) Impairment

Impairment of financial assets

The Group recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

<u>Measurement of expected credit losses</u>

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Group in accordance with the contract and the cash flow that the Group expects to receive).

<u>Presentation of allowance for expected credit losses in the balance sheet</u>

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

<u>Write-off</u>

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

Impairment of non-financial assets

The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g head office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(k) Revenue from contract with customers

Under Ind AS 115, the group recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by geography.

Use of significant judgements in revenue recognition

a. The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c. The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

e. Revenue for fixed-price contract is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

f. Contract fulfilment costs are generally expensed as incurred except for certain expenses which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Sale of services

The Group offers services in fixed term contracts and short term arrangement. Revenue from service is recognized when obligation is performed or services are rendered.

R*ental income*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except where the rentals are structured to increase in line with expected general inflation.

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is genrally when shareholders approve the dividend.

Export incentives

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Insurance and Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(l) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(m) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

<u>Defined contribution plans</u>

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Group 's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Certain employees of the Group are also participants in the superannuation plan ('the Plan'), a defined contribution plan. The Group makes contributions to Life Insurance Corporation of India (LIC). Contribution made by the Group to the plan during the year is charged to Statement of Profit and Loss.

<u>Defined benefit plans</u>

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC') for certain employees. The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Group's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Other long-term employee benefits:

<u>Compensated absences</u>

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Group's obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an actuarial valuation performed annually by a qualified actuary using the projected unit cost credit method.

Termination benefits:

Termination benefits are recognised as an expense when, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(n) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other Comprehensive Income.

- *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions or make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability as per the provisions of Income-tax Act,1961.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets, recognized or unrecognized, are reviewed at each reporting date and recognized / reduced to the extent that it has become probable / no longer probable respectively that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

Minimum Alternative tax

Minimum Alternative tax ('MAT') under the provisions of Income-tax Act,1961 is recognised as current tax in profit or loss. The credit available under the Act in respect of MAT paid is adjusted from deferred tax liability only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability.

MAT credit recognised adjusted from deferred tax liability is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(o) Provisions (other than for employee benefits)

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(p) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

(q) Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

(r) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

(s) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(t) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(u) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions.

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

(v) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(w) Borrowing costs

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

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

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

(y) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

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

Note 3: Property, plant and equipment and capital work-in-progress

Gross carrying amount

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total	Capital work-in-progress
Balance as at 1 April 2018	5,395	3	1,879	8,282	134	807	120	16,620	244
Additions	-	-	309	1,449	51	215	136	2,160	1,856
Disposals	-	-	2	83	1	39	3	128	1,518 #
Balance as at 31 March 2019	**5,395**	**3**	**2,186**	**9,648**	**184**	**983**	**253**	**18,652**	**582**
Balance as at 1 April 2019	5,395	3	2,186	9,648	184	983	253	18,652	582
Reclassified on account of adoption of Ind AS 116 (refer note 4)	-	3	-	-	-	-	29	32	-
Adjusted balance as at 1 April 2019	**5,395**	**-**	**2,186**	**9,648**	**184**	**983**	**224**	**18,620**	**582**
Additions	-	-	243	1,433	27	61	87	1,851	3,210
Reclassified from investment property (refer note 5)	-	-	13	191	-	-	-	204	-
Disposals /other adjustments (refer note e below)	-	-	89	536	-	20	-	645	2,364 #
Assets classified as held for sale (refer note 18)	-	-	416	-	-	-	-	416	-
Balance as at 31 March 2020	**5,395**	**-**	**1,937**	**10,736**	**211**	**1,024**	**311**	**19,614**	**1,428**
Accumulated depreciation									
Balance as at 1 April 2018	-	-	388	1,316	39	137	23	1,903	-
Depreciation for the year	-	-	142	766	18	116	37	1,079	-
Disposals	-	-	1	26	-	15	3	45	-
Balance as at 31 March 2019	**-**	**-**	**529**	**2,056**	**57**	**238**	**57**	**2,937**	**-**
Balance as at 1 April 2019	-	-	529	2,056	57	238	57	2,937	-
Reclassified on account of adoption of Ind AS 116 (refer note 4)	-	-	-	-	-	-	6	6	-
Adjusted balance as at 1 April 2019	**-**	**-**	**529**	**2,056**	**57**	**238**	**51**	**2,931**	**-**
Depreciation for the year	-	-	123	793	28	118	47	1,109	-
Reclassified from investment property (refer note 5)	-	-	11	131	-	-	-	142	-
Disposals /other adjustments (refer note e below)	-	-	18	254	-	9	-	281	-
Assets classified as held for sale (refer note 18)	-	-	151	-	-	-	-	151	-
Balance as at 31 March 2020	**-**	**-**	**494**	**2,726**	**85**	**347**	**98**	**3,750**	**-**
Carrying amounts (net)									
As at 31 March 2019	**5,395**	**3**	**1,657**	**7,592**	**127**	**745**	**196**	**15,715**	**582**
As at 31 March 2020	**5,395**	**-**	**1,444**	**8,010**	**125**	**677**	**213**	**15,865**	**1,428**

Notes:

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

b. Plant and equipment includes Rs. 21 (previous year: Rs. 98) of capitalization towards research and development.

c. Refer note 21 for information on property, plant and equipment pledged as security by the Company during the year.

d. Refer note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

e. Includes net carrying amount of Rs. 298 (previous year: Rs. Nil) pertaining to loss of property, plant and equipment and Rs. 518 (previous year: Rs. Nil) pertaining to loss of capital work-in-progress due to fire incident at one section of the Agro Chemicals Division of the Company (also refer note 37).

f. The Company has capitalized the following expenses of revenue nature to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	82	21
Store consumption	570	383
Power and fuel	32	3
Finance costs	68	24
	752	**431**

g. Net carrying amount of furniture and fixtures held under finance lease arrangements are as follows:

	As at 31 March 2019
Gross carrying amount	29
Accumulated depreciation	1
Carrying amount (net)	28

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

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

Note 4: Right of use asset

	Leasehold Land	Building	Furniture and fixtures	Total
Balance as at 1 April 2019	-	191	-	191
Reclassified on account of adoption of Ind AS 116 (refer note 3)	3	-	29	32
Additions	-	590	-	590
Deletions	-	-	-	-
Depreciation for the year	-	140	6	146
Balance as at 31 March 2020	**3**	**641**	**23**	**667**

Notes:

a. The Company has adopted Ind AS 116 effective 1 April 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (i.e 1 April 2019). Accordingly, previous period information has not been restated.

This has resulted in recognising a right-of-use asset of Rs. 191 and a corresponding lease liability of 191. Further, amounts representing leasehold land and furniture and fixtures, classified as finance lease as per Ind AS 17, have been reclassified from property, plant and equipment to Right-of-Use Assets.

In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share.

b. The Company also leases certain office premises with contract terms of one year. These leases are short-term in nature and the Company has elected not to recognise right-of-use assets and lease liabilities for these leases. The Company incurred Rs. 18 during the current year towards expenses relating to short-term leases for which the recognition exemption has been applied.

c. The total cash outflow for leases, including cash outflow for short term and low value leases, is Rs. 182 during the current year.

Note 5: Investment property

Gross carrying amount

	Leasehold Land	Building	Plant and equipment	Total
Balance as at 1 April 2018	**522**	**1,178**	1,080	2,780
Disposals	-	-	492	492
Balance as at 31 March 2019	**522**	**1,178**	**588**	**2,288**
Balance as at 1 April 2019	522	1,178	588	2,288
Reclassified to property, plant and equipment (refer note no. 3)	-	13	191	204
Disposals / other adjustments	522	1,165	397	2,084
Balance as at 31 March 2020	**-**	**-**	**-**	**-**

Accumulated depreciation

	Leasehold Land	Building	Plant and equipment	Total
Balance as at 1 April 2018	18	25	295	338
Depreciation for the year	9	36	456 #	501
Disposals	-	-	430	430
Balance as at 31 March 2019	**27**	**61**	**321**	**409**
Balance as at 1 April 2019	27	61	321	409
Depreciation for the year	9	32	33	74
Reclassified to property, plant and equipment (refer note no. 3)	-	11	131	142
Disposals / other adjustments	36	82	223	341
Balance as at 31 March 2020	**-**	**-**	**-**	**-**

Carrying amount (net)

	Leasehold Land	Building	Plant and equipment	Total
As at 31 March 2019	**495**	**1,117**	**267**	**1,879**
As at 31 March 2020	**-**	**-**	**-**	**-**

Fair value

	Total
As at 31 March 2019	**4,347**
As at 31 March 2020	**-**

Fair value hierarchy

The fair value of investment property has been determined by external expert, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for the investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique

The Company follows discounted cash flows technique. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Investment property comprises of a leasehold land, building and plant and equipment that was leased to a third party. The lease contained an initial non-cancellable period of 3 years with an option of negotiating subsequent renewals with the lessee. No contingent rents are charged. Refer note 29 for further information.

During the year, after approval of the Board of Directors, the Company transferred and assigned the leasehold rights in respect of the Industrial Plots together with the Factory building situated at E-51/1, E-51/2 and 52 MIDC, Tarapur, Boisar, Maharashtra to the lessee at the expiry of the lease term. Certain plant and equipment has been transferred from investment property to property, plant and equipment (refer note 3), since the plant and equipment was no longer being leased by the Company and as such it was decided that the plant and equipment would be used in the Agro Division of the Company. Remaining plant and equipment has been written off (refer note 36) since the assets were no longer considered to be in usable condition.

Includes Rs. 343 towards accelerated depreciation of assets no longer considered usable basis physical verification performed during the previous year .

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

Note 6: Other intangible assets and intangible assets under development

Gross carrying amount

	Computer Software	Product registrations	Technical know how	Total	Intangible assets under development
Balance as at 1 April 2018	3	653	320	976	172
Additions - internally generated	73	58	-	131	26
Additions - acquired	-	-	-	-	-
Disposals	-	-	-	-	111 #
Balance as at 31 March 2019	**76**	**711**	**320**	**1,107**	**87**
Balance as at 1 April 2019	76	711	320	1,107	87
Additions - internally generated	-		-	-	31
Additions - acquired	105	-	-	105	50
Disposals	-	-	-	-	- #
Balance as at 31 March 2020	**181**	**711**	**320**	**1,212**	**68**

Accumulated amortization

	Computer Software	Product registrations	Technical know how	Total	Intangible assets under development
Balance as at 1 April 2018	1	340	124	465	-
Amortization for the year	44	170	66	280	-
Disposals	-	-	-	-	-
Balance as at 31 March 2019	**45**	**510**	**190**	**745**	**-**
Balance as at 1 April 2019	**45**	**510**	**190**	745	**-**
Amortization for the year	43	127	67	237	-
Disposals	-	-	-	-	-
Balance as at 31 March 2020	**88**	**637**	**257**	**982**	**-**

Carrying amounts (net)

	Computer Software	Product registrations	Technical know how	Total	Intangible assets under development
As at 31 March 2019	**31**	**201**	**130**	**362**	**87**
As at 31 March 2020	**93**	**74**	**63**	**230**	**68**

Note:

a. As at 31 March 2020, the estimated remaining amortization period for intangible assets are as follows:

	As at 31 March 2020
Computer Software	0.25 to 4 years
Product registrations	0.53 to 8 years
Technical know how	0.08 to 3 years

Represents intangible assets under development capitalized during current year and previous year.

Note 7: Investments	**As at 31 March 2020**	**As at 31 March 2019**
Non- current investments		
Investments in equity shares		
Quoted equity shares		
Equity shares (at fair value through other comprehensive income)		
- Bank of Baroda (persuant to Scheme of Amalgamation Dena Bank Limited merged with Bank of Baroda effective 1 April 2019 187 (31 March 2019: 1,700) equity shares of Rs. 10 each fully paid-up	0.10	0.19
- Canara Bank (persuant to Scheme of Amalgamation Syndicate Bank Limited merged with Canara bank effective 5 March 2020 63 (31 March 2019: 400) equity shares of Rs. 10 each fully paid-up	0.06	0.18
	0.16	**0.37**
Unquoted equity shares		
Other Companies (fair value through other comprehensive income)		
- Nimbua Green Field (Punjab) Limited 84,375 (31 March 2019: 84,375) equity shares of Rs. 10 each fully paid-up	108	117
- Mohali Green Environment Private Limited 100,000 (31 March 2019: 100,000) equity shares of Rs. 10 each fully paid-up	10	10
Total non-current investments	**118**	**127**
Aggregate book value of quoted investments	0.16	0.37
Aggregate market value of quoted investments	0.16	0.37
Aggregate value of unquoted investments	118	127
Aggregate amount of impairment in value of non-current investments	-	-

Note 8: Trade receivables	**As at 31 March 2020**		**As at 31 March 2019**	
(Unsecured, considered good unless otherwise stated)	**Non-current**	**Current**	**Non-current**	**Current**
Trade receivables	189	5,845	172	7,235
Receivable from related party	-	-	-	-
Trade receivables from related party (refer note 44)	-	-	-	-
Less: expected credit loss allowance	(189)	(1,079)	(172)	(972)
	-	**4,766**	**-**	**6,263**
Break-up of security details				
Trade receivable considered good -Secured	-	-	-	-
Trade receivable considered good -Unsecured	-	4,766	-	6,263
Trade receivable which have significant increase in credit risk	-	-	-	-
Trade receivable- credit impaired	189	1,079	172	972
Total	**189**	**5,845**	**172**	**7,235**
Less: expected credit loss allowance	(189)	(1,079)	(172)	(972)
Total trade receivables	**-**	**4,766**	**-**	**6,263**

Refer note 40(b) for information about credit risk and market risk of trade receivables.

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

Note 9: Loans	**As at 31 March 2020**		**As at 31 March 2019**	
(unsecured, considered good unless otherwise stated)	**Non-current**	**Current**	**Non-current**	**Current**
Security deposit	280	25	258	27
Advances recoverable from others				
- considered good	-	146	-	104
- considered doubtful	16	24	15	24
Less: expected credit loss allowance	(16)	(24)	(15)	(24)
	280	**171**	**258**	**131**
Break-up of security details				
Loans considered good -Secured	-	-	-	-
Loans considered good -Unsecured	280	171	258	131
Loans which have significant increase in credit risk	-	-	-	-
Loans- credit impaired	16	24	15	24
Total	**296**	**195**	**273**	**155**
Less: expected credit loss allowance	(16)	(24)	(15)	(24)
Total Loans	**280**	**171**	**258**	**131**

Refer note 40(b) for information about credit risk and market risk of loans.

Note 10: Other financial assets	**As at 31 March 2020**		**As at 31 March 2019**	
(Unsecured, considered good unless otherwise stated)	**Non-current**	**Current**	**Non-current**	**Current**
Deposits with original maturity of more than 12 months	37	-	-	-
Interest receivable	-	14	-	44
Export incentive recoverable	-	946	-	647
Insurance claim receivable (refer note 37)	-	607	-	2
Contract assets *	-	306	-	307
Cost of fulfilment of contracts **	-	319	-	92
Receivable towards sale of investment property	-	1,782	-	4
Other receivable	-	13	-	
	37	**3,987**	**-**	**1,096**

* Refer note 28 for the changes in contract asset.
** Cost of fulfillment of contracts of INR Nil (previous year: INR Nil) has been amortised in the Statement of Profit and Loss.

Refer note 40(b) for information about credit risk and market risk of other financial assets.

Note 11: Deferred tax asset (net)	**As at 31 March 2020**	**As at 31 March 2019**
Deferred tax assets on account of:		
- Expenses allowable on payment basis	701	838
- Expected credit loss allowance	400	727
- Tax losses and unabsorbed depreciation carried forward	-	-
- Expenses allowed on deferred basis under income tax	14	44
- Minimum alternate tax credit entitlement	-	10
- Lease liabilities	8	-
Deferred tax asset (A)	**1,123**	**1,619**
Deferred tax liabilities on account of:		
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	970	1,580
Deferred tax liability (B)	**970**	**1,580**
Deferred tax asset (net) (A - B)	**153**	**39**

Movement in temporary differences:

2018-2019	**As at 1 April 2018**	**Recognised in profit or loss**	**Adjusted with provision for tax and income tax**	**Recognised in other comprehensive income**	**As at 31 March 2019**
- Expenses allowable on payment basis	1,270	(609)	114	63	838
- Expected credit loss allowance	882	(155)	-	-	727
- Expenses allowed on deferred basis under income tax	83	(39)	-	-	44
- Minimum alternate tax credit entitlement	147	-	(137)	-	10
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(1,715)	135	-	-	(1,580)
- Impact of fair value of Corporate Debt Restructuring loan	(52)	52	-	-	-
	615	**(616)**	**(23)**	**63**	**39**

2019-2020	**As at 1 April 2019**	**Adjusted with provision for tax and income tax**	**Adjusted with provision for tax and income tax**	**Recognised in other comprehensive income**	**As at 31 March 2020**
- Expenses allowable on payment basis	838	(146)	-	9	701
- Expected credit loss allowance	727	(327)	-	-	400
- Expenses allowed on deferred basis under income tax	44	(30)	-	-	14
- Minimum alternate tax credit entitlement	10	(10)	-	-	-
- Lease liabilities	-	8	-	-	8
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(1,580)	610	-	-	(970)
	39	**105**	**-**	**9**	**153**

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

Note 12: Income tax assets (net)	**As at 31 March 2020**	**As at 31 March 2019**
Advance income-tax and tax deducted at source (net of provision Rs. 1,456 (31 March 2019: Rs. 744))	649	649
	649	**649**

Note 13: Other non-current assets *(Unsecured, considered good unless otherwise stated)*	**As at 31 March 2020**	**As at 31 March 2019**
Capital advances		
- to others	317	297
	317	**297**

Note 14: Inventories *(At lower of cost and net realizable value)*	**Note**	**As at 31 March 2020**	**As at 31 March 2019**
Raw materials	(a), (b)	4,108	3,782
Work-in-progress	(b)	2,934	1,412
Finished goods	(a)	926	2,606
Stock-in-trade		81	-
Stores and spares		488	260
Packing material		111	100
		8,648	**8,160**

Notes:

(a) Includes goods-in-transit:		
- raw material	388	744
- finished goods	216	1,014

(b) The following amounts were charged to the Statement of Profit and Loss on account of damage due to fire incident at one section of the Agro Chemicals Division of the (also refer note 37):

- raw materials	29	-
- work-in-progress	68	-

Note 15: Cash and cash equivalents	**As at 31 March 2020**	**As at 31 March 2019**
Balances with banks		
- Current accounts	155	181
- Fixed deposits with original maturity upto three months	154	21
Cash on hand	14	3
	323	**205**

Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of corporate affairs:
The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

Note 16: Other bank balances	**As at 31 March 2020**	**As at 31 March 2019**
Deposit accounts with original maturity more than 3 months and upto 12 months from the reporting date #	160	155
Balance in unclaimed dividend accounts	2	-
	162	**155**

These deposits include restricted bank deposits Rs. 160 (31 March 2019: Rs. 155) pledged as margin money.

Note 17: Other current assets *(Unsecured, considered good unless otherwise stated)*	**As at 31 March 2020**	**As at 31 March 2019**
Recoverable from/ balances with government authorities		
- considered good	851	895
- considered doubtful	169	186
Less : provision for doubtful balance recoverable from government authorities	(169)	(186)
Advances for supply of goods	252	117
Prepaid expenses	144	98
Others	12	2
	1,259	**1,112**

Note 18: Assets held for sale	**As at 31 March 2020**	**As at 31 March 2019**
Assets held for sale	265	-
	265	**-**

In August 2019, management committed to a plan to sell its residential building premises located in Mumbai. Considering the intent of the Board, the premises have been presented as "Assets classified as held for sale" in accordance with Ind AS 105. Efforts to sell the premises have started and the Company expects to sell the premises within twelve months from its classification. These premises have been stated at their carrying value (being lower of fair value less cost to sell).

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

Note 19: Equity Share capital

(i) *Details of share capital*

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Authorised				
Equity shares of Rs. 10 each	19,800,000	1,980	19,800,000	1,980
9.8% redeemable cumulative preference shares of INR 100 each	20,000	20	20,000	20
	19,820,000	**2,000**	**19,820,000**	**2,000**
Issued Shares				
Equity shares of Rs. 10 each	12,277,218	1,228	12,277,218	1,228
	12,277,218	**1,228**	**12,277,218**	**1,228**
Subscribed and fully paid up				
Equity shares of Rs. 10 each fully paid up	12,262,185	1,226	12,262,185	1,226
	12,262,185	**1,226**	**12,262,185**	**1,226**

(ii) *Reconciliation of number of shares outstanding at the beginning and end of the reporting year*

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Balance at the beginning and at the end of the year	12,262,185	1,226	12,262,185	1,226

(iii) *Rights, preference and restriction attached to shares*

The Group has only one class of equity shares having a par value of Rs. 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Group's residual assets on winding up. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the group, the holders of equity shares will be entitled to receive the remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) *Details of shareholders holding more than 5% shares in the group*

	As at 31 March 2020		As at 31 March 2019	
Name of shareholder	**Number of shares**	**% holding in the class**	**Number of shares**	**% holding in the class**
Equity shares of Rs. 10 each fully paid				
Hem-sil Trading and Manufacturing Private Limited	4,017,318	33%	4,017,318	33%
Gowal Consulting Services Private Limited	3,000,000	24%	3,000,000	24%

(v) *Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2020*

During the five years immediately preceding 31 March 2020, neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash.

Note 20: Other equity

Nature:

(i) *Capital reserve*
Capital reserve represents the forfeited share application money of Rs. 185 received for preferential convertible warrants in 2008-2009 and Rs. 124 received for equity

(ii) *Securities premium*
Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilized in accordance with the applicable provisions of the Companies Act, 2013.

(iii) *Capital redemption reserve*
Capital redemption reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(iv) *Capital reduction reserve*
Capital reduction reserve is carried forward in the consolidated balance sheet of the Group post merger of Parul Chemical Limited into the Group during the year 2010-2011.

(v) *Amalgamation reserve*
Amalgamation reserve is carried forward in the consolidated balance sheet of the Group post merger of Parul Chemical Limited into the Group during the year 2010-2011.

(vi) *Retained earnings*
Retained earnings represents the profits that the Group has earned till date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

(vii) *Equity instruments through Other Comprehensive Income*
The Group has elected to recognise changes in the fair value of certain investments in equity securities of other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The Group transfers amounts there from to retained earning when the relevant equity securities are derecognised.

(viii) *Foreign currency translation reserve*
Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Group dispose or partially dispose off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

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

Note 21: Borrowings

	Note	As at 31 March 2020	As at 31 March 2019
A. Non-current borrowings			
Secured			
From Banks			
Term loan	(a)	1,480	-
Vehicle finance scheme	(b)	-	4
From Others			
Vehicle finance scheme	(c)	105	152
Hire purchase finance scheme	(d)	11	16
Lease liabilities	(e)	733	21
		2,329	**193**
Unsecured			
From Others			
Inter-corporate deposits - from related party (refer note 44)	(f)	2,785	1,000
		2,785	**1,000**
Total non current borrowings (including current maturities)		**5,114**	**1,193**
Less : Current maturities of non-current borrowings (refer note 22)*		927	93
Less : Current maturities of non-current lease liabilities (refer note 22)*		182	-
		4,005	**1,100**

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

Notes:

(a) Term loan from RBL Bank amounting to Rs. 1,480 (31 March 2019: Rs. Nil) carrying interest rate of 11.25% p.a. (31 March 2019: Nil) is secured by exclusive charge by way of hypothecation on all current assets of the company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Lalru, Punjab and exclusive charge by way of hypothecation on all movable property, including plant and machinery, situated at Lalru, Punjab. The loan was repayable in 9 equal quarterly installments as per the repayment schedule from March 2020. However, subsequent to the year end, the Company has availed the moratorium extension announced by Reserve Bank of India. Accordingly, the loan is now repayable in 12 equal quarterly installments beginning from 30 June 2020.The terms of the loan also contain certain restrictive covenants primarily requiring the Company to maintain certain financial ratios. As at 31 March 2020, a breach of financial covenants associated with the loan occurred. Subsequent to the year end, the Company obtained a waiver from Bank for the breach of covenant for a period of 12 months from the reporting date.

(b) Loan from Axis Bank Limited under vehicle finance scheme amounting to Rs. Nil (31 March 2019: Rs. 4) carrying interest rate of 9.41% (31 March 2019: 9.41%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan was repayable in Nil equal monthly installments (31 March 2019: 8).

(c) - Loan from Indostar Capital Finance Limited under vehicle finance scheme amounting to Rs. 92 (31 March 2019: Rs. 114) carrying interest rate of 11.03% (31 March 2019: 11.03%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in 12 (31 March 2019: 24) equal monthly installments.

- Loan from Mahindra & Mahindra Finance Services Limited under vehicle finance scheme amounting to Rs. 13 (31 March 2019: Rs. 36) carrying interest rate of 11.02% (31 March 2019: 11.02%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in 8 (31 March 2019: 12 to 20) equal monthly installments.

- Loan from Kotak Mahindra Prime Limited under vehicle finance scheme amounting to Rs. Nil (31 March 2019: Rs. 2) carrying interest rate of 9.4% (31 March 2019: 9.4%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in Nil (31 March 2019: 8) equal monthly installments.

(d) Loan from Hewlett Packard Financial Services (India) Private Limited under hire purchase scheme amounting to Rs. 11 (31 March 2019 : Rs. 11) carrying interest rate of 13.86% (31 March 2019: 13.86%) for purchase of computer hardware. The loan is repayable in 7 (31 March 2019 : 11) equal quarterly instalments.

(e) The Company has entered into agreements for leasing office premises on lease and license basis. The leases typically run for a period of 5 years with no restriction placed upon the Company for entering into said lease. These leases were previously classified as operating leases under Ind AS 17. The Company also leases furnitures and fixtures under a number of leases, which were classified as finance leases under Ind AS 17.

Information about leases for which the Company is a lessee is presented below:

(i)The following are the amounts recognised in statement of profit and loss:

	Year ended 31 March 2020
Interest on lease liabilities	39
Expenses relating to short-term leases	18
	57

(ii) The following is the break-up of current and non-current lease liabilities as at 31 March 2020

	Year ended 31 March 2020
Non-current lease liabilities	551
Current maturities of lease liabilities (refer note 22)	182
	733

(iii) The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 11.25%

(iv) The following is the movement in lease liabilities during the year ended 31 March 2020:

	Year ended 31 March 2020
Balance at the beginning of the year	191
Finance lease reclassified on account of adoption of Ind AS 116	21
Additions to lease liabilities during the year	646
Finance cost accrued during the period	39
Payment of lease liabilities	(164)
Balance at the end of the year	**733**

(v) The following is the information regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

	Year ended 31 March 2020
Less than one year	182
One to five years	760
More than five years	-
Total	**942**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(vi) There are no leases not yet commenced to which the Company is committed.

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

(vii) Information about finance leases under Ind AS 17 is presented below:
- Loan from Hewlett Packard Financial Services (India) Private Limited under finance lease amounting to Rs. 14 (31 March 2019 : Rs. 21) carrying interest rate of 11.57% (31 March 2019: 11.57%) for purchase of computer hardware and is payable in 7 (31 March 2019 : 11) equal quarterly instalments.

(f) Inter-corporate deposits amounting to Rs. 2,785 (31 March 2019: INR 1,000) is carrying interest rate of 12.75% to 16.50% p.a (31 March 2019: 12.75% to 16.50% p.a).

B. Current borrowings

		As at 31 March 2020	As at 31 March 2019
Loans repayable on demand			
- from banks (secured)	(a)	805	-
Inter-corporate deposits			
- from related party (unsecured)	(b)	-	3,635
- from others (unsecured)	(c)	4,000	4,200
Book overdraft		-	115
		4,805	**7,950**
		8,810	**9,050**

Notes:

(a) Packing credit amounting to Rs. 805 (31 March 2019: Rs. Nil) availed in foreign currency carrying interest rate of 6 % p.a. (31 March 2019: Nil) is secured by exclusive charge by way of hypothecation on all current assets of the company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Lalru, Punjab and exclusive charge by way of hypothecation on all movable property, including plant and machinery, situated at Lalru, Punjab.

(b) Inter-corporate deposits amounting to Rs. Nil (31 March 2019: INR 3,635) is carrying interest rate of 12.75% to 16.50% p.a (31 March 2019: 12.75% to 16.50% p.a).

(c) Inter-corporate deposits amounting to Rs. 4,000 (31 March 2019: Rs. 4,200) is carrying interest rate of 16.50% p.a (31 March 2019: 16.50% p.a) is repayable within one year.

C. Assets pledged as security

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end:

	As at 30 March 2020	As at 31 March 2019
Property, plant and equipment	7,279	269
Inventory	8,648	-
Other current assets (including financial assets and assets held for sale)	10,933	-
	26,860	**269**

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

	As at 30 March 2020	As at 31 March 2019
Borrowings at the beginning of the year (current and non current)	8,913	6,891
Proceeds from non-current borrowings*	1,588	1,175
Repayment of non-current borrowings*	(109)	(6,538)
Repayment of lease liabilities	(164)	-
Repayment / proceeds of current borrowings** (net)	(1,245)	7,350
Lease modification	821	-
Unwinding of fair value of CDR loan	-	150
Borrowings at the end of the year (current and non current)	**9,804**	**9,028**

* Non-current borrowings include current maturities of non-current borrowings and lease liabilities
** Current borrowings do not include book overdraft and cash credit which form part of the cash and cash equivalents for the purpose of cash flow statement.

Note 22: Other financial liabilities

	As at 31 March 2020		As at 31 March 2019	
	Non-current	**Current**	**Non-current**	**Current**
Current maturities of non current borrowings (refer note 21)	-	952	-	93
Current maturities of lease liabilities (refer note 21)	-	157	-	-
Interest accrued and due on borrowings	-	108	-	134
Unpaid dividend #	-	2	-	-
Government grant repayable (refer note 43(a)(3))	-	872	-	-
Interest bearing security deposits from customers	-	71	-	68
Security deposit from employees	-	238	-	253
Employee related liabilities	-	642	-	529
Payable to promoter towards one time settlement	-	-	-	358
Capital creditors	-	324	-	224
Liabilities towards customer contracts	531	1,185	358	743
Book overdraft	-	150	-	-
Others	-	1,600	-	1,265
	531	**6,301**	**358**	**3,667**

\# not due for deposit to investor education and protection fund
Refer note 40(b) for information about liquidity risk and market risk of other financial liabilities.

Note 23: Provisions

	As at 31 March 2020		As at 31 March 2019	
	Non-current	**Current**	**Non-current**	**Current**
Provision for employee benefits (refer note 42)				
Liability for Gratuity	1,619	553	1,555	414
Liability for compensated absences	705	326	652	219
	2,324	**879**	**2,207**	**633**

Note 24: Other non-current liabilities

	As at 31 March 2020	As at 31 March 2019
Deferred government grant	4	6
Deferred interest income	8	32
Deferred revenue	16	16
	28	**54**

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

Note 25: Trade payables	**As at 31 March 2020**	**As at 31 March 2019**
Dues to Micro Enterprises and Small Enterprises (refer note below)	386	45
Other trade payables	8,558	11,263
	8,944	**11,308**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Group as under :

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	386	45
- Interest	7	0^
(b) 'The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27of 2006), along with the amount of payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during each accounting year) but without adding the interest specified under the MSMED act 2006.	34	0^
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	41	0^
(e) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	41	0^

^ amount is less than Rs. 1

Refer note 40(b) for information about liquidity risk and market risk of trade payables.

Note 26: Other current liabilities	**As at 31 March 2020**	**As at 31 March 2019**
Advance for sale of Property, plant and equipment*	-	45
Advance from customers	483	102
Deferred revenue	30	76
Deferred interest income	48	88
Deferred government grant	2	2
Statutory dues	201	268
	764	**581**

* During the earlier years, the Company had decided to sell off of its Pune unit against which the Company had received an advance of Rs. 45 which has been refunded by the Company during the current year.

Note 27: Current tax liabilities (net)	**As at 31 March 2020**	**As at 31 March 2019**
Provision for income tax (net of advance tax of Rs. 155 (31 March 2018: Rs. 388)	1,037	173
	1,037	**173**

Note 28: Revenue from operations	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Sale of products		
Finished goods	49,463	56,123
Traded goods	1,493	1,699
Sale of services	2,889	3,970
Other operating revenues:		
Scrap sales	133	146
Export incentive	702	2,169
Others	276	187
	54,956	**64,294**

Revenue disaggregation by geography is as follows:

Geography:	**Year ended 31 March 2020**	**Year ended 31 March 2019**
India	19,535	20,679
Outside India		
Europe (including united kingdom)	17,462	19,822
Japan	8,870	9,216
Others	7,978	12,075
Total	**53,845**	**61,792**

Information about major customers:
Revenue from 2 customer of the Company amounting to Rs. 20,660 (previous year: Rs. 24,494) and Rs. 8,623 (previous year: Rs. 7,712) respectively, constitute more than 10% of the total revenue of Company.

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

Changes in Contract assets are as follows:	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Balance at the beginning of the year	307	405
Invoices raised during the year	(307)	(405)
Revenue recognised during the year (yet to be invoiced)	306	307
Balance at the end of the year	**306**	**307**

Changes in Deferred revenue are as follows:	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Balance at the beginning of the year	93	70
Revenue recognised during the year	(47)	23
Balance at the end of the year	**46**	**93**

Reconciliation of revenue recognized with the contracted price is as follows:	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Contracted price	53,941	61,878
Reductions towards variable consideration components*	(96)	(86)
Revenue recognised	**53,845**	**61,792**

*The reduction towards variable consideration comprises of trade discount.

Note 29: Other income	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Interest income		
- on fixed deposits	8	15
- others	31	24
Reversal of impairment loss on doubtful advances	17	5
Liability no longer required written back	39	-
Rental income	310	458
Amortisation of government grant	2	2
Exchange gain on foreign exchange fluctuation (net)	108	-
Gain on disposal of susbsidiary	-	51
Gain on sale of property, plant and equipment (net)	6	2
Gain on sale of investment property	785	-
Recovery against advance written off	-	91
Others	7	8
		-
	1,313	**656**

Note 30: Cost of materials consumed	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Inventory of raw material at the beginning of the year	3,782	2,803
Add: Purchases of raw materials	32,319	40,721
Less: Inventory of raw material at the end of the year	(4,108)	(3,782)
	31,993	**39,742**

Note 31: Purchases of stock-in-trade	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Chemicals	445	583
	445	**583**

Note 32: Changes in inventories of finished goods, work-in-progress and stock-in-trade	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Opening stock		
Work-in-progress	1,412	986
Finished goods	2,461	2,620
Stock-in-trade	145	-
	4,018	**3,606**
Less: Closing stock		
Work-in-progress	2,934	1,412
Finished goods	926	2,606
Stock-in-trade	81	-
	3,941	**4,018**
	77	**(412)**

Note 33: Employee benefits expense	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Salaries, wages and bonus	5,865	5,428
Contribution to provident and other funds	648	566
Staff welfare expenses	357	359
	6,870	**6,353**

Note 34: Finance costs	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Interest expense on financial liabilities measured at amortised cost	1,449	1,582
Other borrowing cost	365	125
Other cost	-	19
	1,814	**1,726**

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

Note 35: Depreciation and amortization expense	**Note**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Depreciation of property, plant and equipment	3	1,080	1,079
Depreciation of right of use assets	4	146	-
Depreciation of investment property	5	73	501
Amortization of intangible assets	6	236	280
		1,535	**1,860**

Note 36: Other expense	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Stores and spares consumed	214	301
Power and fuel	4,229	4,672
Repairs and maintenance	1,198	1,104
Sub-contracting charges	483	561
Rent	18	155
Rates and taxes	755	77
Insurance charges	196	95
Traveling and conveyance	728	662
Commission on sales	81	136
Packing expenses	568	704
Freight and handling expenses	614	666
Job work expenses	222	74
Legal and professional fees	435	556
Director's sitting fees	12	12
Charity and donations (other than political parties)	4	3
Corporate Social Responsibility expenditure	36	52
Advances written off	6	37
Property, plant and equipment written off	15	53
Investment property written off	227	-
Loss on sale of plant, property and equipment (net)	-	19
Expected credit loss on trade receivables and advances	125	44
Marketing and promotional expenses	76	104
Reversal of FCTR on disposal of subsidairy	-	76
Exchange loss on foreign exchange fluctuations	-	296
Miscellaneous expenses	1,085	925
	11,327	**11,384**

Note 37: Exceptional item	**Note**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Loss on fire (net of insurance claim)	(a)	-	-
Charges incurred on one time settlement of borrowings	(b)	-	(838)
		-	**(838)**

(a) On 10 July 2019, a fire broke out at one section of Agro Chemicals Division, Derabassi which caused damage to the Company's property, plant, equipment, capital work-in-progress and inventories. The Company lodged claim with the insurance company for losses suffered which is under survey by the insurance company. The Company has recorded a loss of Rs. 1,034 arising from such incident for the year ended 31 March 2020. Further, the Company has also recognised a minimum insurance claim receivable for equivalent amount and has been disclosed under note 10 in these consolidated financial statements. The aforementioned losses and the corresponding credit arising from insurance claim receivable has been presented on a net basis (Rs. Nil) under Exceptional items in these consolidated financial statements. There are no disputes made by the insurance company against such claim till the date of these consolidated financial statements. The Company has received on account payments of Rs. 379 from the insurance company and Rs. 51 from the scrap vendor. The same has been adjusted with the amount recoverable from the insurance company. Also, the Company is in the process of determining its final claim for loss of property, plant and equipment and losses incurred due to interruption of business and has accordingly not recorded any further claim arising therefrom at this stage.

(b) The Company paid an amount of Rs. 838 as one time settlement fees for One Time Settlement (OTS) with Union Bank, Bank of Baroda, Allahabad Bank and Exim Bank in the previous year which had been presented under Exceptional items in these consolidated financial statements.

Note 38: Tax expense	**Year ended**	**Year ended**
a) Income tax recognised in statement of profit and loss	**31 March 2020**	**31 March 2019**
Current tax		
- Current year	1,113	542
- Adjustments in respect of current tax of previous year	125	38
	1,238	**580**
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	(105)	616
	(105)	**616**
Total tax expense recognised	**1,133**	**1,196**

b) Reconciliation of effective tax rate

Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Accounting profit before income tax	**2,208**	**2,876**
Tax at India's statutory tax rate of 25.168% (31 March 2019: 34.94%)	556	1,004
Effect of expense that are non-deductible expenses in determining taxable profits	30	31
Share of profit due to subsidiaries	-	159
Effect of change in estimate related to previous year	125	38
Effect of incremental tax on sale of investment property	296	-
Others	127	(37)
Income tax expense recognized in the statement of profit and loss	**1,133**	**1,196**

* The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (previous year 34.940%) payable by corporate entities in India on taxable profits under the Indian tax law. The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its deferred tax asset (net) basis the rate prescribed in the said section. The full impact of this change has been recognised in the Statement of Profit and Loss for the year.

c) Income tax expense recognised in other comprehensive income	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	7	59
Equity investments through other comprehensive income- net change in fair value	2	4
Total income tax recognised in other comprehensive income	**9**	**63**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	9	63
Items that will be reclassified to profit or loss	-	-
	9	**63**

Note 39: Earnings per share	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Profit after tax for basic and diluted EPS per share	1,075	1,680
Weighted average number of equity shares for basic and diluted EPS per share	12,262,185	12,262,185
Basic and diluted earnings per share (Face value of Rs. 10 each)	**8.77**	**13.70**

Note 40(a): Fair values

Financial instruments by category and fair values	**Note**	**Level of hierarchy**	**As at 31 March 2020**			**As at 31 March 2019**		
			FVTPL	**Amortised cost**	**FVOCI**	**FVTPL**	**Amortised cost**	**FVOCI**
Financial assets (non-derivative)								
Non current								
Investment in quoted equity shares ^	(a)	1	-	-	-	-	-	-
Investment in unquoted equity shares - Others	(a)	3	-	-	118	-	-	127
Trade receivables			-	-	-	-	-	-
Loans	(b)		-	280	-	-	258	-
Other financial assets	(b)		-	37	-	-	-	-
Current								
Trade receivables	(c)		-	4,766	-	-	6,263	-
Cash and cash equivalents	(c)		-	323	-	-	205	-
Other bank balances	(c)		-	162	-	-	155	-
Loans	(c)		-	171	-	-	131	-
Other financial assets	(c)		-	3,987	-	-	1,096	-
Total financial assets			**-**	**9,726**	**118**	**-**	**8,108**	**127**
Financial liabilities (non-derivative)								
Non-current								
Borrowings (including current maturities)	(d)	3	-	4,957	-	-	1,193	-
Other financial liabilities	(b)		-	531	-	-	358	-
Current								
Borrowings	(c)	3	-	4,805	-	-	7,950	-
Trade payables	(c)		-	8,944	-	-	11,308	-
Other financial liabilities	(c)		-	5,192	-	-	3,574	-
Total financial liabilities			**-**	**24,429**	**-**	**-**	**24,383**	**-**

(a) For quoted investments, market value is taken as fair value. The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.

(b) Fair value of non-current financial assets and financial liabilities has not been disclosed as there is no significant differences between carrying value and fair value.

(c) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(d) The Company's non-current borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such non-current borrowings approximates fair value. Further, in accordance with amendment Ministry of Corporate Affairs notified in Ind AS 113 on 30 March 2019, fair value measurement of lease liabilities is not required.

Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Balance at the beginning of the year	127	139
Re-measurement recognized in OCI	(9)	(12)
Balance at the end of the year	**118**	**127**

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

Note 40(b): Financial risk management

(i) *Risk management framework*

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Group's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

The Company has considered the possible effect that may result from the pandemic relating to COVID-19 on the carrying amount of property, plant and equipment, Inventories, receivables, other current assets and on its assessment relating to the going concern. In developing the assumptions relating to the possible future uncertainities in the global economic conditions because of this pandemic, the Company as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Group. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered with no consequential impact on its assessment related to going concern. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval these financial statements.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet the mandatory repayment terms of the banking facilities as disclosed in Note 21. The Group has recognised a net profit after tax of Rs. 1,075 lakhs for the year ended 31 March 2020 and, as at that date, current liabilities exceeded the current assets by Rs. 3,149 lakhs. However, the Company's operations during the year continued to generate cash flows and the management believes that no events have occurred that have an affect on the Company's ability to continue as a going concern. Management believes that the repayment of the facilities will occur as required and that the proceeds will be sufficient to meet the repayment requirements at that date. Management anticipates that any additional repayments required will be met out of operating cash flows or from alternative forms of capital raising. Further, the Company has sufficient unencumbered assets that can be utilized for any additional funding requirements in future.

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

The Group has exposure to the following risks arising from financial instruments:
-Credit risk (see (ii));
-Liquidity risk (see (iii));and
-Market risk (see (iv))

(ii) ***Credit risk***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Group's receivable from customers and loans. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at 31 March 2020	As at 31 March 2019
- Investments	118	127
- Trade receivables	4,766	6,263
- Cash and cash equivalents	323	205
- Other bank balances	162	155
- Loans	451	389
- Other financial assets	3,987	1,096

Trade receivables

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

The Group's exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Within India	2,575	1,458
Outside India	2,191	4,805

The carrying amount of the Group's most significant customer is Rs. 1,652 (31 March 2019: Rs. 1,124).

The Group based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

Particulars	Gross Carrying amount	Loss allowance	Carrying amount
31 March 2020			
Less than 6 Months	4,657	-	4,657
More than 6 Months	1,377	1,268	109
	6,034	**1,268**	**4,766**
31 March 2019			
Less than 6 Months	6,093	-	6,093
More than 6 Months	1,314	1,144	170
	7,407	**1,144**	**6,263**

The movement in the allowance for impairment in respect of trade receivables is as follows

	Year ended 31 March 2020	Year ended 31 March 2019
Balance as at the beginning of the year	1,144	1,111
Provision made during the year	124	45
Amounts written back	-	(12)
Balance as at the end of the year	**1,268**	**1,144**

The loans primarily represents security deposits and advances recoverable. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for excepted credit loss has been provided on these financial assets. Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

Cash and cash equivalents

The Company holds cash and cash equivalents of Rs. 323 at 31 March 2020 (31 March 2019: Rs. 205). The cash and cash equivalents are held with scheduled banks.

(iii) ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Group's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities. The Group will continue to consider various borrowings or leasing options to maximize liquidity and supplement cash requirements as necessary.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

	Less than 1 year	1 to 5 years	> 5 years	Total
As at 31 March 2020				
Borrowings (including current maturities)	5,914	4,005	-	9,919
Trade and other payables	8,945	-	-	8,944
Other financial liabilities	5,723	-	-	5,723
	20,582	**4,005**	**-**	**24,586**
As at 31 March 2019				
Borrowings (including current maturities)	8,043	1,100	-	9,143
Trade and other payables	11,308	-	-	11,308
Other financial liabilities	3,932	-	-	3,932
	23,283	**1,100**	**-**	**24,383**

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

(iv) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Group has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Group manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material prices under check to the extent possible.

(b) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

The exposure of the Company's borrowing to fixed interest rate as reported at the end of the reporting period are as follows:

	As at 31 March 2020	As at 31 March 2019
Fixed rate borrowings	9,114	9,143
Floating rate borrowings	805	-
Total borrowings (gross of transaction cost)	**9,919**	**9,143**

Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
Year ended 31 March 2020				
Interest rate (0.5% movement)	4	(4)	1	(1)
Year ended 31 March 2019				
Interest rate (0.5% movement)	-	-	-	-

(c) Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities.

Unhedged foreign currency exposure

The following table provides details of the Group's exposure to currency risk:

Foreign Exchange Exposures outstanding at the year end	Currency	As at 31 March 2020		As at 31 March 2019	
		Amount in Indian currency	Amount in foreign currency	Amount in Indian currency	Amount in foreign currency
Trade receivable	EUR	382	5	2,042	27
	USD	2,878	38	3,578	52
	GBP	-	-	11	0^
Trade payable	EUR	102	1	95	1
	USD	795	11	1,830	26
Packing credit	EUR	805	10	-	-

^ amount is less than Rs. 1

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2020 and 31 March 2019 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2020				
USD (2% movement)	(41)	41	(31)	31
EURO (2% movement)	10	(10)	8	(8)
GBP (2% movement)	-	-	-	-
31 March 2019				
USD (2% movement)	(35)	35	(23)	23
EURO (2% movement)	(39)	39	(25)	25
GBP (2% movement)	(0) ^	0 ^	-	-

^ amount is less than Rs. 1

Note 41(b): Capital management

(i) *Risk management*

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total borrowings net of cash and cash equivalents and other bank balances. Equity comprises all components of equity (as shown in the Balance Sheet).

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

The Company's adjusted net debt to equity ratio was as follows.

	As at 31 March 2020	As at 31 March 2019
Total liabilities	29,618	28,031
Less: cash and cash equivalents and other bank balances	(485)	(360)
Adjusted net debt	29,133	27,671
Total equity	9,775	9,086
Adjusted net debt to equity ratio	**2.98**	**3.05**

(ii) **Dividends**

	As at 31 March 2020	As at 31 March 2019
Final dividend for the year ended 31 March 2019 of Rs. 1.50 (31 March 2018: Rs. Nil) per fully paid equity share *	184	-
Dividend not recognised at the end of the year		
In addition to the above dividend, since year end the Board of Directors have recommended payment of final dividend of Rs. 1.50 (31 March 2019: Rs. 1.50) per fully paid equity share. The proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting	184	184

* Final dividend has been paid on the number of shares issued by the Company till the date of annual general meeting after approval of shareholders

Note 42: Employee benefits

A. Assets and liabilities relating to employee benefits

	As at 31 March 2020	As at 31 March 2019
Non-current		
Liability for gratuity	1,619	1,555
Liability for leave encashment	705	652
	2,324	**2,207**
Current		
Liability for gratuity	553	414
Liability for leave encashment	326	219
	879	**633**
	3,203	**2,840**

For details about the related employee benefit expenses, refer to note no. 33.

B. ***Defined contribution plan***

a. Provident Fund and employee's state insurance

The Company's provident fund scheme and employee's state insurance (ESI) fund scheme are defined contribution plans. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due.

b. Superannuation Fund

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has recognised following amounts as expense in the Statement of Profit and Loss :	Year ended 31 March 2020	Year ended 31 March 2019
Included in Contribution to Provident and Other Funds (Refer Note 33)		
Provident Fund	378	327
Superannuation Fund	243	201
ESI contribution	24	29
	645	**557**

C. Defined benefit plan - Gratuity

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

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

The following table sets out the status of the defined benefit plan as required under Ind AS 19 - Employee Benefits:

	Particulars	As at 31 March 2020	As at 31 March 2019
b)	**Reconciliation of present value of defined benefit obligation**		
	Balance at the beginning of the year	2,020	1,709
	Interest cost	155	133
	Current service cost	93	83
	Past service cost	-	-
	Benefits paid	(117)	(72)
	Actuarial loss recognised in other comprehensive income		
	- from changes in financial assumptions	44	
	- from changes in demographic assumptions	(1)	63
	- from experience adjustments	(13)	104
	Balance at the end of the year	**2,181**	**2,020**
c)	**Reconciliation of the present value of plan assets**		
	Balance at the beginning of the year	50	93
	Expected Interest Income	8	7
	Contributions paid by the employer	111	16
	Benefits paid	(112)	(64)
	Actuarial loss for the year on Assets	-	(2)
	Balance at the end of the year	**57**	**50**

	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
d)	**Amount recognized in statement of profit and loss**		
	Total service cost	93	83
	Interest cost on benefit obligation	151	125
	Amount recognized in statement of profit and loss	**244**	**208**
e)	**Remeasurements recognised in other comprehensive income**		
	Actuarial loss for the year on defined benefit obligation	30	167
	Return on plan assets (excluding interest income)	(4)	2
	Total Actuarial gain / (loss) for the year	**26**	**169**

f) ***Plan assets***

100% of the plan assets are managed by LIC

g) ***Actuarial assumptions***

(i) Economic assumptions: The principal assumptions arc the discount rale and salary growth rate The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate (per annum)	6.80%	7.66%
Future salary growth rate (per annum)	5.00%	5.50%
Expected rate of return on plan assets (per annum)	7.05%	7.80%
Expected average remaining working lives (years)	17.30	16.17

(ii) Demographic assumptions:

Particulars	As at 31 March 2020	As at 31 March 2019
Retirement Age	58	58
Mortality rate	100% of IALM (2012 - 14)	100% of IALM (2006-08)
Attrition rate		
Upto 30 years	3%	3%
31 to 44 years	2%	2%
44 years and above	1%	1%

h) **Sensitivity analysis on defined benefit obligation on account of change in significant assumption:**

	As at 31 March 2020		As at 31 March 2019	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (0.5% movement)	(59)	62	(54)	58
Future salary growth rate (0.5% movement)	60	(58)	56	(54)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i) **Expected future benefit payments**

Undiscounted amount of expected benefit payments for next 10 years are as follows:	As at 31 March 2020	As at 31 March 2019
Within 1 year	505	415
1-2 year	143	27
2-3 year	148	67
3-4 year	140	40
4-5 year	188	160
5-10 years	1,057	1,312

j) Weighted average duration and the expected employers contribution for next year of the defined benefit plan:

	As at 31 March 2020	As at 31 March 2019
Weighted average duration of the defined benefit plan (in years)	13.79	13.09
Expected employers contribution for next year	244	240

Note 43: Contingent liabilities and commitments (to the extent not provided for)

a) *Claims against the company not acknowledged as debts*	As at 31 March 2020	As at 31 March 2019
Excise duty matters	-	36
Service Tax matters	1	17
Income Tax matters	314	761
Sales tax matters	11	11
Labour laws matters	4	8
Civil matters	-	1,004
	330	**1,837**

Notes:

(1) The Company is contesting the demands and the management, including its tax advisors, believe that its position will be likely be upheld in appellate process. No tax expense has been accrued in financial statements for the tax demand raised. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operations.

(2) During the year ended 31 March 2020 the Company has opted for Sabka Vishwas (Legacy Dispute Resolution Scheme), 2019 (“SVLDRS”). SVLDRS is a one-time measure for liquidation of past disputed cases of central excise and service tax for which show cause notice or appeals were pending as at 31 March 2019. The Company has paid a liability of Rs. 22 under the scheme and recognized the same as expense to Statement of Profit and Loss.

(3) During the year ended 31 March 2020, the Directorate of Revenue Intelligence has asked the Company to re-ascertain the benefits claimed under the Merchandise Exports from India Scheme. Consequently, the Company has suo moto deposited Rs. 125 lakhs and will pay remaining liability in due course in accordance with the necessary statutory procedures. Till date of these consolidated financial statements, the Company has not received any show cause notice/ notice of demand pursuant to the above.

(4) Pursuant to recent judgement by the hon'ble supreme court dated 28 February 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However there is uncertainty with respect to the applicable of the judgement and period from which the same applies. The Company has estimated the impact of the same from post 28 February 2019 and recognised in the financial statement. Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the company has not recognised any provision for the period prior to date of judgement. Further management also believes that the impact of the same on the company will not be material.

(5) Subsequent to 31 March 2020, the Company and the Managing Director along with Director (Operation and Business Development) have received a show cause notice from an Adjudicating Officer of the Securities and Exchange Board of India (SEBI) with respect to allegations pertaining to non-disclosure of certain information to the Stock Exchange under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The Company has obtained necessary legal advice, which is favourable to its position in the matter and will take appropriate action in due course.

(b) Other Commitments	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	885	776
Amount payable under non-cancellable leases	-	201

Notes:

(1) The Company has extended comfort letter to provide continued financial support to its wholly-owned subsidiary to ensure that the subsidiary is able to meet its debts, commitments and liabilities as they fall due and it continues as going concern in the foreseeable future.

(2) The amount payable under non-cancellable lease has been presented for 31 March 2019 as per Ind AS 17 since the Company has adopted Ind AS 116 with effect from 1 April 2019.

Note 44: Related party disclosures

I. ***List of related parties and nature of related party relationship, where control exists: Nil***

II. ***List of related parties and nature of relationship with whom transactions have taken place during the current / previous year***

Description of Relationship	Name of the Party
Enterprises where control over the composition of Governing Body exists	Hemsil Trading & Manufacturing Private Limited Shroff family master trust (w.e.f 26 November 2019) Akola Chemicals India Limited Pimex India Pvt Ltd
Key managerial personnel	Mr. Shalil Shroff (Managing Director) Mr. Avtar Singh (Whole time Director) Mr. Vipul Joshi (Chief Financial Officer) (upto 31 March 2020) Mr. Punit K Abrol (Sr. Vice President (Finance) & Company Secretary) Mr. Jain Prakash (Sr. Vice President (Works))
Non Executive Directors	Mr Mukesh D Patel Mr. Vijay Dilbagh Rai Smt. Sindhu Seth Mr. Sheo Prasad Singh Capt. S S Chopra (Retd.) Mrs Aruna Bhinge (w.e.f 29 May 2018) Mr. S.S.Tiwari
Relatives of key managerial personnel	Mrs. Shaila Shroff (upto 14 February 2020) Mrs. Bhupinder Kaur Mrs. Ravinder Kaur (upto 28 February 2019) Mr. Jaskaran Singh Ms. Sonal Tiwari

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

III. ***Transactions with related parties during the current / previous year***

Nature of transactions	Relationship	Year ended 31 March 2020	Year ended 31 March 2019
a. Sale of goods			
Akola Chemicals (India) Limited	Enterprises where control over the composition of Governing Body exists	25	-
b. Loans taken, deposits received, advances received during the year			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	150	4,400
c. Payment of lease liabilities			
Shroff family master trust	Enterprises where control over the composition of Governing Body exists	50	-
d. Loans repayment during the year			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	2,000	150
e. Interest expense during the year			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	463	517
f .Employee benefits paid			
Short term employee benefits			
Mr. Shalil Shroff	Key managerial personnel	187	134
Mr. Avtar Singh	Key managerial personnel	141	112
Mr. Vipul Joshi	Key managerial personnel	99	82
Mr. Punit K Abrol	Key managerial personnel	77	65
Mr. Jain Prakash	Key managerial personnel	82	67
Benefits to Relatives			
Mrs. Shaila Shroff	Relatives of key managerial personnel	16	17
Mrs. Ravinder Kaur	Relatives of key managerial personnel	-	17
Mr. Jaskaran Singh	Relatives of key managerial personnel	13	9
g. Commission			
Executive Directors	Key managerial personnel	-	30
Non Executive Directors	Key managerial personnel	-	20
h. Sitting Fees			
Non Executive Directors	Key managerial personnel	12	12
i. Legal & Professional			
Mrs. Bhupinder Kaur	Relatives of key managerial personnel	1	1
Ms. Sonal Tiwari	Relatives of key managerial personnel	27	22
j. Payment to promoter towards one time settlement			
Mr. Shalil Shroff	Key managerial personnel	358	-
k. Other borrowing cost			
Mr. Shalil Shroff	Key managerial personnel	141	-

Break-up of compensation of key managerial personnel of the Company	Year ended 31 March 2020	Year ended 31 March 2019
Short-term employee benefits	585	489
Post-employment benefits	27	90
Total	**612**	**579**

IV. ***Outstanding balances as at year end***

Particulars	Relationship	As at 31 March 2020	As at 31 March 2019
a. Receivables			
Akola Chenmicals (India) Limited	Enterprises where control over the composition of Governing Body exists	4	-
b. Borrowings			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	2,785	4,635
c. Security deposit from employees			
Mr. Shalil Shroff	Key managerial personnel	2	2
Mr. Avtar Singh	Key managerial personnel	2	2
Mr. Punit K Abrol	Key managerial personnel	10	10
Mr. Jain Prakash	Key managerial personnel	11	11
d. Commission payable to directors			
Non Executive Directors	Key managerial personnel	-	20
Executive Directors	Key managerial personnel	-	30
e. Employee related liabilities			
Executive directors	Key managerial personnel	-	8
f. Interest accrued but not due			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	57	134
g. Payable to promoter towards one time settlement			
Mr. Shalil Shroff	Key managerial personnel	-	358

V. Terms and conditions of transactions with related parties

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions and within ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

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

Note 45: Segment Information

The Executive Management Committee (Board of Directors and key managerial personnel) monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. For management purpose, the Company has identified "Performance Chemicals" as single operating segment.

A) Information about geographical areas

Year ended 31 March 2020

	Sale of goods *	Rendering of services *	Non current assets #
India	16,646	2,889	19,741
Outside India			
Europe (including United Kingdom)	17,462	-	-
Japan	8,870	-	-
Others	7,978	-	71
Total	**50,956**	**2,889**	**19,812**

Year ended 31 March 2019

	Sale of goods *	Rendering of services *	Non current assets #
India	28,192	3,970	19,816
Outside India			
Europe (including United Kingdom)	16,712	-	-
Japan	6,101	-	-
Others	6,817	-	180
Total	**57,822**	**3,970**	**19,996**

* Sale of goods and sale of services has been presented based on the geographical location of the customers.
# Non-current assets are excluding financial instruments and deferred tax assets and have been presented based on the geographical location of assets.

C) Information about major customers

Revenue from 2 customers of the Group amounting Rs. 20,632 (previous year: Rs. 24,494) and Rs. 8,623 (previous year: Rs. 7,712) respectively, constitutes more than 10% of the total revenue of Group.

Note 46: Disclosures pursuant to Section 186 of the Companies Act, 2013:

	As at 31 March 2020	As at 31 March 2019
Investment		
i. Investment in equity shares: Dena Bank Limited merged with Bank of Baroda		
Balance as at the year end ^	0	0
Maximum amount outstanding at any time during the year ^	0	0
ii. Investment in equity shares: Syndicate Bank Limited merged with Canara bank		
Balance as at the year end ^	0	0
Maximum amount outstanding at any time during the year ^	0	0
iii. Investment in equity shares: Nimbua Green Field (Punjab) Limited		
Balance as at the year end	108	117
Maximum amount outstanding at any time during the year	117	129
iv. Investment in equity shares: Mohali Green Environment Private Limited		
Balance as at the year end	10	10
Maximum amount outstanding at any time during the year	10	10

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

Note 47: As at 31 March 2020, the Company had certain old outstanding balances of trade receivables from overseas customers amounting to Rs. 1012 (previous year: Rs. 920), which have been fully provided for in earlier years, and certain old outstanding balances of trade payables towards overseas vendors amounting to Rs. 139 (previous year Rs. 128). The Company is in the process of taking necessary steps for settlement/adjustment of these old outstanding receivable / payable sums by approaching relevant regulatory authorities / Reserve Bank of India or adopting any other action permitted under applicable regulations / laws.

Note 48: The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.

Note 49: Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III:

Name of the entity in the Group	Net Assets (Total assets -Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated other comprehensive income	Amount
31 March 2020								
Parent								
Punjab Chemicals and Crop Protection Limited	117%	11,450	147%	1,578	16%	(26)	170%	1,552
Subsidiary - Outside India								
S D Agchem (Europe) N.V	-18%	(1,728)	10%	109	77%	(127)	-2%	(18)
Elimination	1%	53	-57%	(613)	7%	(11)	-69%	(624)
Total	**100%**	**9,775**	**100%**	**1,075**	**100%**	**(164)**	**100%**	**911**

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

Name of the entity in the Group	Net Assets (Total assets -Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated other comprehensive income	Amount
31 March 2019								
Parent								
Punjab Chemicals and Crop Protection Limited	111%	10,120	121%	2,025	1075%	(118)	0%	1,907
Subsidiary - Outside India								
S D Agchem (Europe) N.V	-19%	(1,690)	18%	301	-647%	71	0%	372
Elimination	7%	656	-38%	(646)	-328%	36	0%	(610)
Total	**100%**	**9,086**	**100%**	**1,680**	**100%**	**(11)**	**0%**	**1,669**

As per our report of even date attached

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

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

Gaurav Mahajan
Partner
Membership No. : 507857

Mukesh D Patel
Chairman
DIN No.: 00009605
Place: Baroda

Shalil Shroff
Managing Director
DIN No.: 00015621
Place: Mumbai

Avtar Singh
Director (Operations & Business development)
DIN No.: 00063569
Place: Derabassi

Punit K. Abrol
Sr. V.P. (Finance) & Company Secretary
Place: Derabassi
Date: 29 June 2020

Dr (HC) Sriram Swaminathan
Chief Financial Officer
Place: Mumbai

Place: Chandigarh
Date: 29 June 2020

GREEN INITIATIVE

Ministry of Corporate Affairs has taken a Green Initiative in Corporate Governance allowing paperless compliance by Companies through electronic mode. Your Company has taken initiative to update their records for the same. The members holding shares in physical form and who have not furnished the requisite information and who wish to avail the felicity to receive the correspondence form the Company in electronic mode may furnish the information to the Alankit Assignments Limited, the Registrar and Transfer Agents. The members holding shares in electronic from may furnish the information to their Depositary Participants to avail of the said facility.

PUNJAB CHEMICALS AND CORP PROTECTION LIMITED

REGISTERED OFFICE:
Milestone 18, Ambala Kalka Road,
Village & P.O.: Bhankharpur, Derbassi,
Distt. S.A.S. Nagar (Mohali), Punjab - 140201
Tel.: 01762-280086/ 280094, Fax: 01762-280070
Email: info@punjabchemicals.com

CORPORATE OFFICE:
Plot No. 645-646, 5th Floor,
Oberoi Chambers II, New Link Road,
Andheri (West), Mumbai - 400 053,
Tel.: 022-2674-7900, Fax: 022-2673 6193
Email: enquiry@punjabchemiclas.com,

Website: www.punjabchemicals.com